

K. K. PAI

Life and Achievements



K. K. PAI Felicitation Committee, Udupi

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Editors :

K. M. Udupa
B. V. Kedilaya

Publishers :

K. K. Pai Felicitation Committee
Udupi, Karnataka

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Sri K. K. Pai and Smt. Saguna Pai

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Preface

We are extremely happy to present this Volume which provides a glimpse of the life and achievements of Sri K. K. Pai—a veteran banker and an able administrator. The service rendered by Sri K. K. Pai in various capacities particularly as the Chairman of Syndicate Bank, as Registrar of Academy of General Education, Manipal and as a Head of well known Non-Banking Finance Companies, including Manipal Finance Group of Companies are too well known to need any reiteration. He took over as Chairman of Syndicate Bank at a time when the basic character of Indian Banking was undergoing thorough change, consequent on take over of Banks by the Government. Banks were assigned specific tasks in the area of financing priority sectors and fulfilment of expectations of society, thereby making their contribution to the economic growth of the nation. Using his professional acumen, expertise and vision, he could strike a balance between social objectives and profitability and achieve the growth of the Bank as a sound and dynamic institution. The Banking experiments and achievements of Sri K. K. Pai are widely known not only in Karnataka but also, in other States particularly in Uttar Pradesh and the capital city of Delhi. As the Head of the Academy of General Education, Manipal and as the Head of Dr. T. M. A. Pai Foundation, he is spearheading the movement aimed at spreading education in this part of the country. Sri K. K. Pai is also well known in the field of social service. The stint that he had in politics particularly, as Councillor and subsequently as 'Municipal Chief' enabled him to get thorough insight into the problems and difficulties of people. As a banker he

did his utmost to ameliorate the lot of poorer sections of society by giving jobs and also by extending credit support for self-employment. On the eve of his 78th Birthday, the public of Udupi and South Kanara Districts have decided to honour him and offer him felicitations. As a part of the programme, the organisers have thought it fit to bring out this volume. Accordingly, we have taken up this task and we are now happy to place this volume at your hands.

We take this opportunity to convey our grateful thanks to all those who have contributed their articles as well as to Manipal Power Press who have helped us by undertaking the printing of the volume in an elegant manner and that too in a record time.

— Editors

K. K. Pai – Life and Achievements

B. V. Kedilaya*

Sri K. K. Pai (Kalsank Kamalaksha Pai) one of the distinguished bankers and outstanding administrators in this country was born on 26-6-1921 at Udupi, the town situated in the western coast of Karnataka famous for its Sri Krishna Temple and eight Mutts established by Sri Madhvacharya – a great philosopher – saint of 13th century. Sri Pai's father Sri K. Venkatraya Pai, was a well known businessman running a large provision store situated in the car street the nerve centre of the town, amidst mutts and temples. He belonged to the Gowda Saraswath Brahmin community which had migrated from Goa since 13th century consequent upon religious persecutions perpetrated by Muslim and Portugese rulers. The community, endowed with sharp business acumen and non-aggressive nature integrated itself with local population, specialising in business, trade and commerce. Venkatraya Pai, was an honest, hardworking, God fearing man. He was an ardent devotee of Goddess Mahisha Mardini of Kadiyali temple and Lord Krishna of Udupi. One of his uncles established a provision shop in car street sometime in 1894 and took Venkatraya Pai as a partner. The shop flourished and soon became popular with all classes and communities of the town. In course of time Venkatraya Pai became a major partner of the shop and improved the business. He had good business sense and strength of character. Every morning after ablutions, he would visit Kadiyali temple and Udupi Krishna temple and offer prayers before entering into his shop. People had faith in him. His customers included all classes of people from rich zamindars of nearby places, Mathadhipathis of surrounding eight mutts as well as poor

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peasants and priests alike. Swamijis of mutts particularly depended on him for supply of large quantities of provisions to ensure their free feeding of pilgrims who used to come in hundreds throughout the year. Sometimes Swamijis ran short of money and bills would remain unpaid for months and even years. But Venkatraya Pai was accommodative and understanding. He might have even considered the credit facility as a service to Lord Krishna. He was equally helpful to other customers also regardless of their affluence or poverty. In course of time, he became a popular and influential person of the town and earned enormous goodwill of the people. His shop became a household name in Udupi and even today, i.e., after more than hundred years it continues to enjoy the same reputation.

Early Days :

Venkatraya Pai had married Sundari, belonging to Baliga family of Brahmavar, a place 13 kms. north to Udupi. As was customary at that time, her name was changed to Durgamma after the marriage. The couple had their first child – daughter born in the year 1910. She was named Susheela. The Pais wanted a male child, but nothing happened for next ten years. Then some wellwishers advised them to make pilgrimage to Thirupathi and Sri Rangam temples and pray to the Lord. This was done and Lo! a veritable miracle happened. Within a year Durgamma conceived and a baby boy was born on 26-6-1921. It was day of great joy for the entire family. The boy was given two names Govindaraja and Ranganatha, the Lords of Thirupathi and Sri Rangam in the traditional naming ceremony, but it was the mother's pet name Kamalaksha that prevailed ultimately.

In 1923 the couple had one more son Prabhakar. Again there was a ten-year gap, after which Durgamma gave birth to two more sons-Chandrakanth (1933) and Chitranand (1936).

Kamalaksha and Prabhakar grow up to become close friends because of their similar age group. By then Susheela had been married off. Younger sons came a decade later. It was therefore only natural that the two elder sons became close friends. Kamalaksha was a chubby, attractive boy while Prabhakar was lean and sickly. He had a liver problem and used to take cod-liver oil which used spread around a bad smell. But this did not affect their mutual affection and friendship.

In the year 1923 there were unprecedented floods in the South Kanara District. Udupi was also affected by the floods. The Pai family was at that time living in a rented house near Kalsank where a small stream flows from Manipal hills. It was a low-lying area. As the floods raged, water entered into the house. Utensils and wooden materials

started floating out. The water rose to the level of two feet above the ground. The children started crying. The Pais vacated the house and took shelter in a friend's house till the flood subsided. The same year they shifted their residence to the safer area of Kunjibettu near Manipal hill.

Radiant Student :

Kamalaksha and Prabhakar were admitted to the famous Kadiyali School which was located within a walkable distance from their residence. The School was run by Sri Vakwadi Narnappayya, a highly devoted teacher who maintained a high academic standards and strict discipline in the school. There was a good team of excellent teachers. The atmosphere of the school was inspiring. Both the brothers spent their time in the school happily. Kamalaksha was not only good at studies but also proficient in sports, games and acting. He used to play cricket, ball badminton and football very well. He was also a good actor in school dramas. One of the dramas 'Seetha Swayamvar' in which he acted as Laxman became so popular that it was replayed several times in various places of the district to collect money for the school. Kamalaksha was very much impressed by the Kannada teacher Pt. Ramachandra Upadhyaya who used to recite and explain Kalidasa's Shakuntala and similar epics. This kindled in him love for literature which endured even in his later years.

After completing primary education, Kamalaksha joined the famous Board High School Udupi. The school had a number of able teachers headed by the well-known English teacher Sri Roque Fernandes. Sri M. V. Kamath, who later became the famous journalist was one of his classmates there. Kamalaksha was a quiet, dignified boy who did not talk much nor mix with others. He seriously concentrated his attention on studies. After passing SSLC he joined the St. Aloysius College Mangalore for Intermediate course. At that time there was no college in any other place in the district. As Kamalaksha wanted to become a medical doctor, he selected the course of Physics, Chemistry and Biology. He stayed in Cannara Hostel and studied hard. He passed Intermediate examination with good marks and tried to secure a medical seat. In those days there was only one medical College for the whole state of Madras which included the areas of Andhra Pradesh, Tamilnadu and Kerala. Only two or three seats were allotted to South Kanara and out of them two were reserved for backward castes. In the circumstances Kamalaksha could not make it.

Fascinating Commerce :

The next fascinating course for him was B.Com., since he was not

interested in Engineering. In those days there was only one college in the whole country which offered the course and that was Sydenham College of Commerce and Economics situated in Bombay. Kamalaksha applied for a seat. Though the competition was tough he was fortunate to get it. Soon he was in Bombay as an alumnus of the prestigious college. The new environment was invigourating. Among his class mates were Sri T.A.Pai and Sri H. N. Rao from Udupi. Both were to play significant roles in his future life and career.

K. K. Pai as he came to be known somewhere at this time took keen interest in cultural activities also in the college. It was he who took initiative to organise a Karnataka Sangha in the Sydenham College for the first time in its history. He roped in a few Kannada - knowing professors and students and arranged regular programmes. This gives an indication of his organising ability which was to bloom in all its glory in later years.

Freedom Struggle :

It was the most turbulent period in the history of the country. The struggle for independence was on the verge of reaching its climax under the leadership of Mahatma Gandhi. Meanwhile second world war had broken out in September 1939. The British Government embroiled India in the war without the concurrence of the people. This infuriated the leaders of Indian National Congress. As Jawaharlal Nehru wrote 'One man, and he a foreigner (i.e., Governor General Lord Linlithgow) plunged hundreds of millions of human beings into war without the slightest reference to them'. The result was the call for individual Satyagraha.

At that point of time Subhash Chandra Bose who had differences with Gandhiji left Congress and formed a new party called Forward Block. Large number of young people joined it inspired by this dynamic leader. Young K. K. Pai was one of them. He took keen interest in organising various activities of the party. He even became a member of Reception Committee when a Conference of Forward Block was held in Bombay. While he drew inspiration from the national leaders and freedom movement, he did not allow it to disrupt his studies. But the spirit of nationalism he imbibed during the struggle remained ever aflame in his heart. In a recent interview he said that inspiring patriotism should be one of the objectives of education.

The struggle for independence reached its crescendo when Gandhiji launched Quit India Movement in August 1942. It hit college campuses also. There was a demonstration by the students of Sydenham college within the campus. The Police came in and made Lathicharge on the students to disperse them. Next day students

gheraoed the Principal alleging that he had invited the police to beat them up. In this incident T. A. Pai played a major role in diffusing the situation. On another occasion two students of the college threw a bomb at the library and even hit the Principal on his head. They were of course, subsequently arrested and sentenced to imprisonment. Such incidents had become common during those turbulent days. K. K. Pai was a witness to all these happenings.

Initiation into Banking :

In 1943 K. K. Pai passed his B.Com. examination securing 4th Rank in the University which practically represented the whole country. As a recognition of his remarkable achievement, he was selected for M.Com. Course. The University also gave him a fellowship, which was a rare honour. He was very enthusiastic to pursue his studies and was dreaming to become a scholar of international stature in Economics. But destiny had different designs. It landed him in Syndicate Bank.

Meanwhile after completing the B.Com. examination T. A. Pai had returned to Udupi and joined Syndicate Bank as its Deputy Manager. The Bank wanted to recruit a few bright young men as trainee officers and for this purpose wrote to the Principal of Sydenham College to recommend a few names of its promising graduates. Among the names recommended K. K. Pai's was one. He promptly got a letter of appointment to work in Bombay. He accepted the offer presuming that he could still pursue his M.Com. studies as it was not compulsory for him to attend regular classes in the University for the purpose. But suddenly a new development took place.

Sri H. N. Pai (who later rose to the position of General Manager) was at that time working as the Manager of Bombay Fort Branch, where K. K. Pai was a trainee officer. One day he received an emergency call from Udupi informing that his brother was seriously ill. H. N. Pai decided to rush to Udupi immediately. Before leaving, he requested K. K. Pai to shoulder the responsibility of Manager till he returned. K. K. Pai accepted the offer since it was a purely a temporary arrangement. However, H. N. Pai could not return to Bombay. Bank had transferred him to Belgaum to sort out certain problems which had arisen there. So K. K. Pai was compelled to officiate as manager. As a result he had to drop the post-graduate studies as well as fellowship. Destiny had confirmed his career in Syndicate Bank.

South Kanara (Dakshina Kannada) District has been known as the cradle of Commercial Banks. The district had given birth to as many as 22 Commercial Banks. Syndicate Bank (originally known as The Canara Industrial & Banking Syndicate Ltd.) became a Jewel among

them with its unique record of innovative Banking, customer-friendly service ethos and emphasis on Rural Development.

Syndicate Bank was established in 1925 at the initiative of Sri. T. Uppendra Pai, a noble, enlightened businessman of Udupi along with his brother Dr. T. Madhav Pai and V. S. Kudva, an Engineer hailing from Mangalore as Founder Directors. The objectives of the Bank was "to carry on the business of Bankers, commission agents and of Merchants to help cottage Industries such as weaving etc." The Bank had a humble beginning with a paid up capital of Rs. 8,000/- and only one employee on its rolls. But within a few years, under the dynamic leadership of Dr. T. M. A. Pai, it achieved steady growth and conspicuous success and earned considerable popularity among common people. From the very beginning the Bank's policy on advances was firmly based on the philosophy of catering to the needs of common man. This concern for common man became one of the most significant hallmarks of the Bank and contributed to its spectacular success in the later years. Innovativeness was another outstanding feature of the Bank. As early as in 1928, the Bank introduced a unique Scheme called 'Pigmy Deposit Scheme' under which an amount as low as two annas (12 Paise) could be deposited daily for a period of seven years. At the end of the period depositor would get Rs. 350/-. These deposits were collected from the doorsteps of depositors by Pigmy collectors appointed by the Bank. It contributed abundantly to the popularization of saving habits among all the sections of the society and was later emulated by many other Banks.

Another distinctive feature of the Syndicate Bank was its rural bias. It opened large number of Branches in rural areas and spread the message of Banking extensively at a time such a practice was considered unconventional and imprudent and hence did not have the encouragement of the Reserve Bank. Syndicate Bank was bold enough to finance agriculturists, small artisans, vegetable vendors, fishermen and the like. The Bank's motto "No man is too small for Bank Account" was not merely a slogan but an article of faith and a matter of practice by each and every Branch of the Bank.

Another factor which was responsible for the increasing popularity of the Bank was its unique customer-friendly culture and courteous service rendered by the staff members. The founders of the Bank firmly believed that "salvation of the institution lay in the service of the common man" and inculcated a culture of courteous service in the staff members who would go out of the way to help the customers. The Bank used to recruit moderately educated local young men and women and give them rigorous training and proper orientation. It also inspired deep

organizational loyalty among the employees. There is a well-known incident of H. N. Pai who refused to leave Syndicate Bank in spite of another Bank offering him twice the salary he was getting. Though the Bank was not able to pay good salary to its employees in the earlier years, it compensated it in later years in ample measure thereby reinforcing their loyalty, involvement and morale.

Within a decade of its existence, Syndicate Bank had developed its own distinct identity and reputation. It registered steady growth year by year. In the year 1942, it had deposits worth Rs. 59 lakhs, total resources worth Rs. 91 lakhs and 44 Branches. It had already promoted two regional Banks i.e. Maharashtra Apex Bank and Southern India Apex Bank. The teething troubles were over and the Bank was forging ahead with vigour and confidence. It was at this juncture that K. K. Pai joined the Bank. When he left the Bank on retirement in 1978, it had deposits worth Rs. 845 crores, total resources worth Rs. 1050 crores, 958 Branches and 19526 members of staff.

Marriage and After :

Sri Upendra Pai, the founder of the Syndicate Bank had a daughter Saguna in her teens. Sri T. A. Pai (son of Sri Upendra Pai) had just joined the Bank as Dy. Manager. He had already known K. K. Pai in Mumbai as a classmate at Sydenham and was quite impressed by the bright, dignified young man. The Pairs thought that he would be a suitable boy for Saguna. The horoscopes matched and the proposal was made. K. K. Pai interviewed Saguna. Though he was initially a little hesitant, he finally accepted the proposal. The marriage took place on 8-3-1944 at Manipal on a grand scale befitting the prestigious status of both families, complete with decorated elephants in the marriage procession.

The young couple set up their sweet home at Tulsi building in Charni Road, Mumbai. Saguna proved to be an excellent housewife and great source of support, solace and happiness not only to her husband but also to the entire Kalsank family. Says Prabhakar Pai (Younger brother of K. K. Pai who lived with them during 1944-46) "She is really a great lady. So affectionate, hospitable, sacrificing, devoted and understanding. Her contribution to our family life is immeasurable. She is really true to her name Saguna (meaning full of virtues)."

The marriage brought K. K. Pai closer to the Pairs of Manipal.

K. K. Pai grew tall with the Syndicate Bank. He rose from position to position by sheer dint of hard work and total dedication to duty and total loyalty to the organization. His robust commonsense, his sound business acumen coupled with strength of character shaped him into an outstanding executive of the Bank in due course. Of course, he had

also the unique advantage of Dr. T. M. A. Pai's mature guidance and T. A. Pai's friendly support. In a recent interview he said:

"Capacity is not a family property. It was only through hard work and perseverance that I could go up. Dr. Pai gave me a lot of training and exposure, I too took my own initiative and availed my self of all the opportunities made available to me in the Bank. This alone helped me to go up in the organization."

Exposure through Deputation :

On 5-3-1946 he was promoted as Deputy Manager in which post he worked till 23-2-1949 when his services were lent to the Southern India Apex Bank Ltd. as Managing Director. This Bank was promoted by Syndicate Bank in 1942 as a Regional Bank with exclusive operational jurisdiction of Tamil Nadu and Malabar (Kerala). Under his able leadership the Bank registered steady progress and efficient administration. It had Branches at Madras, Coimbatore, Badagara, Calicut, Palghat, Tellicherry, Taliparamba, Payyanur and Udupi. Stewardship of the Bank provided K. K. Pai valuable experience which was to be of immense help to him in later years. However, in the year 1953, the Southern India Apex Bank was merged with the Syndicate Bank and K. K. Pai returned to Manipal on 6-8-1954 to take up the new responsibility as Superintendent of Branches. In the new role he was as effective as ever. He introduced and implemented various systems of control, supervision and monitoring of progress and performance of the Branches. He became Dy. General Manager from 1-5-1958. Soon he was chosen by the Indian Banks' Association to represent Indian Banks at the International Banking Summer School at Scotland. He attended the course and also visited several European countries which enriched his experience. He became Dy. Chief Officer from 9-5-1962. He was promoted as Chief Officer on 1-1-1965 and became General Manager on 1-10-1968.

The decade of 1960s was a period of rapid growth and progressive Banking. During the period many epochmaking changes took place in the Banking Industry in general and Syndicate Bank in particular.

In the year 1960, Syndicate pioneered an unique investment service, first of its kind to be introduced by any Bank in India. A department known as Investor's Agency Department was started to render expert financial guidance through its specially trained personnel to small investors to enable them to invest their savings in sound and remunerative shares and securities. The scheme was precursor of the present day Unit Trust of India. It became very popular with the middle income group customers. In 1961, Bank established a separate

Industrial Finance Department to encourage advances to Small Industries and enterprising entrepreneurs.

Magic Team :

On 12-11-1961, Dr. T. M. A. Pai retired from the post of Managing Director of the Bank after servicing for 22 years in that capacity. T. A. Pai succeeded him on 1-1-1962. His elevation infused a tremendous dynamism in the organisation. Soon total deposits crossed the level of Rs. 25 crores. The magic team of T. A. Pai and K. K. Pai commanded enormous goodwill and confidence among employees and customers of the Bank as well as the public at large. Together they worked wonders and took the Syndicate Bank to the centre-stage of the Banking Industry. Their talents and capacities were mutually complimentary. People used to compare this duo to that of Jawaharlal Nehru and Sardar Patel of post-independent India.

Syndicate Bank was always in the forefront in recruiting women employees since its inception. In 1962 it made a bold innovation of opening 'All Women Branch' in Sheshadripuram, Bangalore. It was a numerable milestone in the Bank's progressive march towards larger involvement of women in Banking activities, hitherto exclusively handled by man. Success of this Branch prompted the Bank to open more such branches in cities like Madras, Hyderabad, Trivandrum and New Delhi.

In 1963, Syndicate Bank entered the field of Foreign Exchange. In 1964, the name of the Bank was shortened from the original Canara Industrial and Banking Syndicate to Syndicate Bank as it was popularly known. Another major event in the history of the Bank was shifting of Head Office from Mukund Nivas of Udupi to a new imposing building at Manipal, symbolising the Bank's rural bias. From the beginning Syndicate Bank has been a pioneer in financing farmers. But most of the commercial Banks were indifferent to farm credit. In the early sixties the country was facing a serious food problem. Bank took up the challenge and set up Agricultural Finance Department in 1964 exclusively for Agricultural purposes. A batch of specially trained young men designated as Farm Representatives was put on the job to visit farmers and offer them technical service. It went a long way in making success of the green revolution. In the year 1965, Govt. of India established Food Corporation of India and invited T. A. Pai to be its Chairman. He accepted the offer and took charge of the new post on 1-1-1965. In order to maintain continuity and progress K. K. Pai was appointed as the Chief Officer of the Bank. It was a natural choice.

Formidable Challenge :

Soon he had to face a formidable challenge on the industrial

relations front in the Bank. There was prolonged labour unrest in the Bank in the form of a strike. Although the strike originated on flimsy grounds it spread rapidly and threatened to destroy the morale of the entire organisation. K. K. Pai took up the challenge with extraordinary courage and conviction. His approach was unique. He treated the strike as cases of individual indiscipline and charge-sheeted as many as 800 employees and dismissed about 140 of them. His action shook the entire Banking Industry. However Offices functioned with the help of Officers. But other Banks were affected by sympathetic strikes by their employees and clearing of cheques pertaining to certain Banks was delayed. Indian Banks' Association tried to persuade K. K. Pai to withdraw suspensions and dismissals. Tremendous pressure was mounted on him from all sides. But K. K. Pai stood his ground firmly. Indian Banks' Association approached T. A. Pai to intervene and prevail upon K. K. Pai to reconsider his decision. T. A. Pai announced a one man commission to enquire the case to diffuse the situation. But K. K. Pai did not accept it. He gave a press statement accordingly.

At this juncture, Sri Prabhat Kar, the President of All India Bank Employees' Association came to Manipal and appealed to K. K. Pai and Board of Directors to review the disciplinary action taken on the employees. Subsequently the Association realised that the strike was unwarranted and it expressed regret. The Management reviewed all the cases and reduced the punishments substantially and remitted most of the dismissed employees.

Iron Man :

It was an agonizing, long-drawn battle unprecedented in the history of the Syndicate Bank. The manner in which K. K. Pai handled the situation, the way he coolly withstood pressures and threats and the tenacity and firmness he displayed during the long period of almost three years won him allround admiration in the Banking Industry as an administrator of extra-ordinary courage. Some called him the "Iron Man" of Banking Industry. At the same time he earned a 'tough guy' image among the class of employees. However, he was able to show through his subsequent actions that he could be equally kind hearted and sympathetic in dealing with staff problems. Soon the atmosphere in the Bank changed radically and industrial peace returned. In subsequent years industrial relations in the Bank improved so much that K. K. Pai, during his stewardship as Chairman won a national award for "Most Harmonious Industrial Relations".

Meanwhile, despite the labour unrest and subsequent developments, progress of the Bank continued unabated which vindicated the

effectiveness of K. K. Pai as the leader. By then T. A. Pai had returned from Food Corporation and resumed the position of Chairman. His tenure in the Food Corporation had made him deeply aware of the food problem faced by the country. He wanted to do something of his own to help the farmers. At his initiative Syndicate Agriculture Foundation was inaugurated with the objective of assisting farmers in adopting modern techniques of farming. K. K. Pai solidly stood behind this project and took every possible step to nourish and strengthen the Foundation. He continued his all out support in subsequent years also. Sri K. M. Udupa, the Agricultural Scientist who rose to become Dy. General Manager of the Bank and closely associated with the Foundation and Agricultural Finance Department has many interesting incidents which show the keen interest and deep involvement of K. K. Pai in the activities of the Foundation. His interest in Agriculture has been an enduring passion and his contribution to Agricultural development has been substantial. Even now, i.e., after 20 years since his retirement, Sri Pai is showing the same amount of interest in the Foundation. Recently he was found discussing the problems it faced in recent years and offering solutions.

His knowledge of various aspects and problems of Agriculture is deep and extensive. He used to edit 'Krishiloka', a Kannada journal dedicated to the cause of Agricultural development. He used to personally dictate its editorial every month. The range of topics he had covered in them is wide and the deep insight he displays in the articles is remarkable. Even now the articles appear up-to-date and relevant. One can not expect such an intimate knowledge of Agriculture in any other Banker.

In the year 1968, the Bank crossed Rs. 100 crore level and graduated from medium size Bank to a Big Bank.

In all these achievements of the Bank involvement and contribution of K. K. Pai was invaluable. His support and assistance to the Chairman T. A. Pai was of immense value. The continuity of service of K. K. Pai for a long time as chief officer contributed greatly to the steady growth of the Bank as well as to implementation of innovative programmes and progressive policies. His firm control over the vast administrative apparatus ensured speedy and effective implementation of every task entrusted. There is no gainsaying the fact that he remained a great pillar of strength and great source of support in every activity that brought glory to Syndicate Bank.

Then came the historic day of July 19, 1969 when Government of India nationalised 14 major Banks including the Syndicate. It was not a totally unexpected event. However, for Syndicate Bank it did not make much difference as it had been already following the policies and

objectives of nationalisation since decades. In fact it was the Syndicate which had shown the Government of India what could be done by the Banks in priority sectors. The Government wanted other Banks to follow it. To compel them to do so was one of the causes of nationalisation.

In the year 1970, T. A. Pai resigned from the services of Syndicate Bank as custodian to take up Chairmanship of Life Insurance Corporation of India. He had been not only a chairman of Syndicate Bank but also the most popular leader in this part of the Country. He was a magnanimous man. He had helped thousands of people. He was hero and darling of masses. A leader with a towering personality and thundering voice. His departure from Udupi was painful for the citizens. They gave him a tearful farewell. T. A. Pai era had come to an end in Syndicate Bank.

K. K. Pai succeeded T. A. Pai as custodian of Syndicate Bank on 1-3-1970. On 11-12-1972 he was appointed as Chairman which post he held till his retirement on 22-4-1978 and made history.

Challenge Seeker :

When K. K. Pai succeeded T. A. Pai, he succeeded a highly successful Chairman. T. A. Pai had dazzled the eyes of the people like a superstar. There was a feeling of anxiety in the minds of a section of people, about the future of the Bank and nature of the new leader. Will he be able to shed his 'tough guy' image ? Can he live up to the great traditions set by T. A. Pai ? Can he achieve the same rate of progress ? Can he be as magnanimous as his predecessor in giving jobs ? Can he be as helpful to the customers as T. A. Pai was ? These were some of the questions that arose in their minds. K. K. Pai was basically a challenge-seeker. He took up the assignment as Chief Executive in a spirit of challenge and soon proved that he was second to none. He demonstrated a remarkable understanding of human problems and showed abundant kindness and generosity in dealing with them. His door was always open for employees, customers and the public at large and he showed immense patience in listening to their problems and offering solutions wherever possible. During his Chairmanship, it was a common sight to see hundreds of people sitting in the ground floor of Manipal Head Office and waiting for an interview with the Chairman. If the visitor had the patience to wait till his turn came, K. K. Pai had the patience and time to listen to him. The crowd would include the entire spectrum of the society. Rich, poor, middleclass, young, old, male, female, Industrialists, farmers, teachers, businessmen, artists, writers, rikshaw drivers and the like flocked to

see him. He was magnanimous in help if he was convinced of the genuineness of their need. He was particularly sympathetic and helpful to those who were poor, weak and downtrodden. He did not make any distinction of caste, creed, community, language or place of residence. His helping hand extended to one and all. Soon the anxieties and apprehensions nursed by a section of people vanished and gave way to unabashed admiration.

Relationship Banking :

Despite onerous responsibilities and busy engagements associated with his Official duties, K. K. Pai was able to spare time for social, cultural, religious and sports activities. Whether it was a marriage or funeral, house warming or thread ceremony, literary seminar or religious conference, a musical concert or Yakshagana performance he could squeeze sometime to attend them and encourage the organisers. His rapport with all classes of people was something unusual. He could be at home in any surrounding be it a party of sophisticated NRIs or a meeting of illiterate rural folks in remote villages. While most of the executives of his status would have tried to avoid meeting people by becoming inaccessible to ordinary mortals, K. K. Pai would go out of the way to meet people and talk to them. He had in fact a deep concern for human welfare and abiding sympathy for poor people which has basically influenced his style of functioning. His constant contact and rapport with people also helped a great deal in developing reliable clientele for the Bank. He developed the concept of 'Relationship Banking' of Dr. Pai into an effective instrument of sound and successful Banking practice. He had strong conviction that one can not do business without knowing personally the people and their background. In a recent interview he said "Whether giving a job or a loan, taking decisions on the basis of mere papers is like marrying only on the basis of horoscope without seeing the girl." His native intelligence and intuitive wisdom embellished by his vast experience and exposure gave him immense power and confidence to handle every kind of situation in a highly effective manner. His profound professional skill and extraordinary ability to motivate people and ensure required results coupled with his strong commitment to social objectives made the Bank take giant leaps forward in every direction during his leadership.

In the post-nationalization period focus in Banking Industry shifted from conventional banking to development banking and social objectives attained great importance. Banks had to achieve the twin objectives of profitability and social objectives. It needed exceptional abilities to reconcile these apparently divergent objectives and achieve expected

results. In this difficult exercise, many of the nationalised Banks could not attain the expected level of success. There was a lot of dilution in the Banking standards. Courtesy and efficiency in customer service were considerably affected. However under K. K. Pai's leadership Syndicate Bank remained a brilliant exception to this general trend. He was successful in striking a balance between profitability and social objectives and also maintain the high standard of customer service in his Bank.

Banking to Rural Hinterland :

During K. K. Pai's stewardship Syndicate Bank showed spectacular growth. It was highly successful in achieving allround progress in implementing social welfare schemes. Number of branches increased from 461 to 958 from 1970 to 1978. Network of branches spread over a large number of states including Orissa, Haryana, Uttar Pradesh, Madhya Pradesh and Rajasthan. Thus the Bank arrived on the national scene.

The Bank followed the 'area approach' to achieve planned expansion. It selected a region or district and concentrated lending activities in an intensive manner. A similar approach was advocated by the government by introducing Lead Bank Scheme making nationalised Banks responsible for overall banking development of the districts allotted to them. Under this scheme, Syndicate Bank was designated as the Lead Bank for Bijapur, Dharwad, Dakshina Kannada and Uttar Kannada districts in Karnataka, Cuddappha, Kurnool, Anantpur, Nellore and Prakasam Districts in Andhra Pradesh, Mathura, Meerat and Moradabad in Uttar Pradesh, Cannanore in Kerala, Gurgaon in Haryana and Union territory of Lakshadweep. Subsequently Kasaragod and Ghaziabad districts were also added. The Bank open several branches in these districts. The Bank had opened branches in Andaman and Nicobar Islands in 1969. With branches in Lakshadweep, Syndicate became the only bank in the country having branches in the Islands of both Arabian Sea and Bay of Bengal.

In order to inculcate saving habit among various classes of people the Bank organized various campaigns like 'Doctors' Week', 'Lawyers' Week', 'Teachers' Week'. These programmes not only helped in mobilising their savings but also strengthened the rapport among the professional groups.

The Bank completed 50 years of service in 1975. By then its deposits had exceed Rs. 500 crores. It ranked seventh among nationalised Banks. It continued to have large percentage of credit in priority sectors and rural bias. It had the privilege of establishing first regional rural

Bank, 'Prathama Bank' – as per Regional Rural Bank ordinance of 1975. Its Head Office at Manipal was the only one head office of nationalised bank to remain in rural area.

Golden Jubilee :

K. K. Pai had the privilege of being the Chairman to celebrate the Golden Jubilee of the Bank in 1975. The celebration was inaugurated by Sri C. Subramaniam, the then Finance Minister of Government of India. It was graced by the presence of Sri N. D. Tiwari, Chief Minister of U.P. and Sri K. R. Puri, Governor of Reserve Bank of India. Dr. T. M. A. Pai and Sri T. A. Pai who had built the Bank in the earlier years were also present as the honoured guests. Apart from various entertainment programmes, there was a seminar on 'Banking Development for Economic Growth' in which intellectuals and scholars of eminence such as Dr. P. R. Brahmananda, Dr. D. N. Saxena, Prof. N. S. Ramaswamy, Sri M. Y. Ghorpade, the Finance Minister of Karnataka participated. To mark the memorable occasion, a beautiful hall called 'Golden Jubilee Hall' was constructed at Manipal near the Head Office, which has become a centre of cultural activities in Manipal. For K. K. Pai who had toiled literally day and night for more than three decades and contributed his very best for bringing the Bank to such lofty heights, it was an unforgettable occasion of joy and sense of fulfilment.

After Golden Jubilee, the Bank continued to march forward with greater zeal and vigour. A major landmark in the progress of the Bank was opening of first overseas branch in London. Sri B. K. Nehru, then High Commissioner of India inaugurated it on 17-8-1976. It was a historic occasion ushering in a new era of growth of the Bank. It added one more feather in the cap of Chairman K. K. Pai.

The rapid growth of the Bank and its wide geographical spread necessitated decentralization of some of the functions of Head Office for effective communication of managerial decisions and their proper implementation. With this objective, decentralised pattern of administration was introduced in 1977. Several Zonal Offices were established which were made full fledged administrative units headed by Deputy General Managers. K. K. Pai brought about the changes in a smooth and effective manner.

Outstanding Administrator :

As chairman of Syndicate Bank, K. K. Pai achieved the pinnacle of excellence as an outstanding administrator. Although the Bank had grown to a giant size by then his control over each and every aspect

of the vast organization was total and unquestionable. He achieved spectacular results in both banking development and efficiency administration. While he personally controlled personnel management he allowed decentralisation of planning functions and credit administration. With his phenomenal memory and thorough knowledge of banking functions and procedures, he commanded enormous respect and responsiveness from his colleagues and subordinates. He could easily distinguish between a gimmick and performance and nobody could bluff him. He could be kindhearted or ruthless depending on the need of situation. As a workaholic, he worked 16 to 18 hours a day and inspired his subordinates for hard work by his personal example. His style was all his own. Although he had functioned under the shadow of two great men like Dr. Pai and T. A. Pai, he refused to be dwarfed by their towering personalities and was able to maintain his distinct identity and developed his own powerful personality. He had the courage of his convictions and he would not hesitate to express his views candidly and fearlessly even when they differed radically from those of his mentors. There were many instances in which he had crossed swords with them and held his ground. One such incident related to the historic strike of 1965 in which he publicly defied the action taken by T. A. Pai to appoint a one-man commission to enquire into the strike. There were many similar instances in his long, eventful career. But K. K. Pai also had that rare quality to ensure that these differences did not affect their relationship which continued to be cordial. Once the decision was taken, the differences were forgotten and his attention concentrated on its effective implementation.

'Annadata':

One of the greatest contributions of K. K. Pai to the Society as the Chairman of Syndicate Bank was employment generation. During his tenure as Chairman he gave employment to more than 14000 youngmen and women. In 1969 total number of staff of the Bank was 5872 and when retired in 1978, it rose to the level of 19652. He was personally involved in the process of selection and recruitment as he firmly believed that personnel functions should be centralised at the Head Office and involvement of the Chief Executive in the selection process would ensure a sense of belonging and responsibility in the mind of the recruit. In a recent interview he has clearly expressed that present process of impersonal recruitment by BSRB is not advisable as it does not inspire loyalty to the organization. Moreover, recruiting merely on the basis of written examinations and marks obtained therein without looking into the domestic, economic and cultural

background etc. would not do justice to the candidates belonging to rural areas and backward groups. His firm conviction has been that clerical work in the Banks does not need high educational qualifications like graduation or post graduation and if a job is given to truly deserving person considering his domestic and economic background, it would be an act of social justice. Accordingly he selected large number of candidates who had only SSLC as qualification because they came from poor and middle class background and a job would help their entire family. This lower he did without considering their caste, creed, religion or region.

Late Sri T. A. Pai had once said "Power is not an end in itself. It is an opportunity to help and serve people." K. K. Pai seemed to be firm believer in this principle. He used his power to help as many people as possible. In sheer number of jobs given it seems there is no parallel to him in the Banking Industry. The beneficiaries of his generosity have been poor, destitute, downtrodden people, victims of domestic tragedies, orphans, widows, abandoned, handicapped, dispossessed and the like. They also include children of teachers, farmers, artists, fishermen, tappers etc. Along with them are sportsmen, writers, cricketers, musicians magicians and sanyasis who abandoned Sanyasa. The list is endless. No wonder everyday thousands of families remember K. K. Pai with gratitude as their 'Annadata'.

Support to Self-employment :

K. K. Pai's concern for unemployed youth had another dimension. He was a powerful supporter of self-employment endeavours. At his initiative 'Self-employment Clinics' were started by Syndicate Bank in all big cities as a part of self-employment programme. Special campaigns were conducted to motivate educated youth to start their own endeavours.

In one of his messages he said : "The problem of unemployment among the educated youth whether they are professionals like Doctors, Engineers or less fortunate who are obliged to discontinue their studies after SSLC on account of economic and other compulsions has been assuming menacing proportions. A large segment unemployed educated youth feels though not always at least occasionally that 'service is servitude.' This obsession with service on the one hand and lack of employment opportunities on the other has cast a deep shadow of despair in the minds of educated youth. With the nationalisation of Banks, vast and varied are the opportunities that are thrown up for those who are educated and willing to be self-employed. For those who have the will to develop the will to be self-employed and self-reliant, finance

is no problem. As far as Syndicate Bank is concerned we shall be glad to finance any worthwhile project which will promote self-employment and self-reliance."

This was not a hollow promise nor high rhetoric. K. K. Pai launched a 'Self-employment Endeavour Project' with Indian Jaycees. Under this scheme, a local chapter of Jaycees would identify educated unemployed youths interested in self-employment, imparting practical training, assisting them in starting the business and making Bank credits available. These were the main features of the scheme.

The Scheme was a great success. It helped 1400 unemployed youths to start their own business which in turn generated jobs for 4200 people. This was possible because of the sincerity and seriousness with which Sri Pai pursued the project. He also instituted 'Syndicate Bank Awards' for popularising self-employment endeavours.

K.K. Pai's contribution to the cause of promoting self-employment won him 'Meritorious Service Award' by Jaycee International for two consecutive years 1975 and 1976. The National Alliance of Young Entrepreneurs (NAYE) gave him 'Laghu Udyog Sahakari' Award for the Bank's promotion of small scale industries and assistance to young entrepreneurs through 'Farm Clinics'. Mention of FICCI Award for most harmonious Industrial Relations has been already made. In 1978 Bank received Associated Chambers of Commerce Award for promotion of rural agricultural activity, Indian Merchants Chamber Award for Community welfare and National Trophy for outstanding performance in foreign exchange operations.

K. K. Pai never missed any opportunity of enriching his professional skills and administrative prowess. He attended training courses at Administrative Staff College at Hyderabad and participated in the International Summer School at Scotland in 1958. He had an opportunity to study at the Westminster Bank Ltd., London. He attended a number of programmes sponsored by the Indian Institute of Management Ahmedabad and workshops on various subjects sponsored by the National Institute of Bank Management, Bombay and other Management Associations.

He had wide international exposure. He visited United Kingdom, European Countries and Egypt in 1958 and Thailand, Hong Kong, Japan, USA, London and Italy in 1974. In 1976 he travelled in Middle East Countries, London, USA and Japan, Philippines, Malaysia and Singapore. He visited USA again in 1979, 1987 and 1992.

Service on Committees :

Sri Pai's stature and standing in the field of Banking, Finance and

administration commanded great respect in the national level. His guidance and involvement was sought by many governmental and non-governmental organizations. He was a member of Managing Committee of Indian Banks' Association, Governing Board of National Institute of Bank Management, Bombay, Agricultural Board, Reserve Bank of India, General Council, National Co-operative Development Corporation, Delhi, Standing Committee on Development of Entrepreneurship constituted by the Ministry of Industry and Civil Supplies, Steering Committee for Regional and Rural Banks. He was also a director of Credit Guarantee Corporation of India Ltd., Agricultural Finance Corporation Ltd., Kerala Industrial and Technical Consultancy Organization Ltd., Ernakulam, Karnataka Small Industries Development Corporation Ltd., Karnataka Milk Federation Ltd., Bangalore, Wiltech India Ltd., Premier Cables Company Ltd., Cochin. He also functioned as president of Syndicate Agricultural Foundation, Udupi, Canara Milk Producers Co-op. Union Ltd., Mangalore, Dakshina Kannada Co-operative Sugar Factory Ltd., Brahmavar.

After completing 35 years of distinguished service studded with numerous achievements of lasting significance K. K. Pai retired from the services of Syndicate Bank on 22-4-1978. The event signified the end of an era of unforgettable glory in the history of the Bank.

Continued Mission :

But for K. K. Pai, retirement did not mean renunciation. The indefatigable worker who used to work 16 to 18 hours a day could not stop working. His rich experience and matchless competence and expertise on financial and administrative matters could not be allowed to go waste. Retirement did not affect his energy or enthusiasm. His services were sought by many national and International organizations. Even Govt. of India offered prestigious assignments. However, like his mentor Dr. T. M. A. Pai, he made Manipal his permanent home and Head quarters. He always believed that one should work in one's own environment and try his best to contribute to its improvement in whatever possible manner he can. He has all along been a son of the soil with firm roots in the rural environment. It was therefore natural for him to remain in his home town and continue his mission of service to the society.

For K. K. Pai, there was no need to look out for opportunities. There were a number of financial Organisations and Educational Institutions, Organisations built by the Pais of Manipal that were anxious to welcome him with open arms. He was like a loving Patriarch for the younger generation of Pais of Manipal, a source of inspiration and mature

guidance. He commanded enormous respect, goodwill and prestige in the society. There was no gainsaying the fact that his association with any organisation would be a great asset and source of strength. His name spelt success.

Leader of NBFCs :

K. K. Pai associated himself with Manipal Finance Group of Companies, Manipal Printers and Publishers Ltd. and ICDS Ltd. as a director and Chairman. At present he is guiding the destinies of these organisations as their Chairman. Manipal Finance Group consists of Manipal Finance Corporation, Manipal Sowbhagya Nidhi Ltd., Manipal Housing Finance Syndicate Ltd., Manipal Industries Ltd. He is also the President of Canara Land Investments Ltd., Manipal Chemicon (P) Ltd. Bangalore, ICDS Securities Ltd., Bangalore and Sharat Import Company Ltd., Bangalore.

Manipal Finance Corporation was established in 1984 with the objective of Catering to the needs of finance and savings. It is engaged in the business of hire purchase, leasing and Bill Discounting, having a network of 60 Branches in Karnataka, Maharashtra, Gujarat, Kerala and Tamil Nadu. Sri T. Narayan M. Pai is the chairman of the Company which has been showing steady progress. Sri K. K. Pai became the chairman in 1995.

Manipal Housing Finance Syndicate Ltd. established in 1986 is a housing finance company recognised by National Housing Bank. This organisation extends long term loans for the housing purpose. This Company has attractive deposit schemes including Manipal House Loan Scheme. Company has also been extending on selective basis, project finance to builders for construction of residential accommodation. K. K. Pai has been its Chairman since 1986.

Manipal Sowbhagya Nidhi was established in 1987. Its main objective is to encourage members to save, to invest and get loans at favourable rates of interest. It also grants loans against security of immovable property, deposits and jewelery. Smt. Vijayalaxmi N. Pai is the Vice President. Sri K. K. Pai has been the Chairman of the Company since 1989.

Manipal Industries Ltd. was established in 1961 by Dr. T. M. A. Pai. The Company functioned as Manages for Tile Factories/General Construction Company, Maniwood Industries Timber tearing plant, seed farms etc. Today, the main thrust of the Company is construction, marketing of branding products of leading Companies and creaming of Rubber latex. Sri T. Rajesh Pai is the present Executive Director. Sri K. K. Pai has been its Chairman since 1981.

I.C.D.S. Ltd. (Industrial Credit & Development Syndicate Ltd.) was established in the wake of nationalisation of Banks in 1969. It is one of the leading companies specialising in hire-purchase, leasing and bill discounting. It has a network of 51 branches all over the country. Sri K. K. Pai has been its Chairman since 1995.

Total Involvement :

As Chairman, K. K. Pai's functioning is marked by total involvement and keen interest. He meticulously looks into every minute aspect of the affairs of the Company and provides invaluable guidance. His presence in the Board as Chairman ensures deep involvement of the Directors and serious and useful discussions. As one of the Directors says "He is most business-like. He knows how to cut-short desultory discussions in the Board Meetings". His legendary memory, his vast administrative experience, his thorough knowledge of rules and understanding of business world have made him a highly effective Chairman. No wonder under his leadership all the companies have been showing substantial growth, expansion and profits. Of late NBFC's all over the country have been facing considerable hardship as a result of certain regulations of the Govt. However, NBFC's of Manipal have been able to withstand the strains of the situation. With the leadership of indomitable K. K. Pai they have been able to continue their onward march with confidence and optimism.

A Man of Culture :

K. K. Pai is a many – splendoured personality. No doubt, his greatest achievements have been in the field of Banking, but his interests and activities have gone far beyond it. He is essentially a man of culture. He is a lover of literature, connoisseur of fine arts and an admirer of sports. From his childhood he had developed these interests which he carefully pursued in subsequent years unlike many other hard-headed executives. Despite his onerous responsibilities and tight schedule of activities as the Chief Executive of Syndicate Bank, he had the rare ingenuity of squeezing some from the routine to associate himself with a number of literary, artistic cultural or sports activities. In Udupi, Manipal and around it is difficult to find a major event in the cultural field which is not graced his presence. For decades he has been the President of Sangeeth Sabha Udupi which has been responsible for popularising classical music and other forms of fine arts since last four decades in this area. It is this Sabha which provided the people of this small town rare opportunities of listening to the live performances of artists of international fame. Sri Pai is a patron and admirer of every form

of art. He can be called a Rasika in the real sense of the word. He is an ardent admirer of Yakshagana, the famous folk theatre form of coastal Karnataka, which has been of late impressing international audiences. He has extended his helping hand to a number of Yakshagana artists in several ways. He was the chief patron of Saligrama Makkala Mela, a Yakshagana troupe of child artists which was the first troupe to perform in U.S.A., U.K. and other western countries. His patronage has extended to a large number of authors, artists, sportsmen, cricketers, athletes and the like including even a magician! Of course he knew how to utilise their talents to further the cause of the Bank.

K. K. Pai gave encouragement to Bank's staff who were interested in sports activities as well as cultural activities. He was mainly responsible for the Rotac-Syndicate tournaments which were conducted for 21 years in Udupi attracting large crowds. As used to play cricket, ball badminton and football during his school days. Even now, at 78 he says he is prepared to play badminton! He gave jobs to noted cricketers B. S. Chandrashekhara, and handicapped athlete Malathi Holla and others. He continues to evince keen interest in sports even now.

Lover of Literature :

Sri Pai has been an ardent lover of literature since his student days. He has been a voracious reader with a discerning mind. His interest in literature kindled in Kadiyali School was nourished during his College days in St. Aloysius College, where he had the benefit of the Kannada teaching by the renowned scholars like Muliya Thimmappayya. His love for Kannada literature was so intense that when he was a student in Sydenham College, Bombay he took initiative to start a Kannada Sangha of the College for the first time in its history. His interest in literature did not subside with his rise in professional career. He continued to have close contacts with men of literature and associated himself with literary meetings.

There are instances where he went out of the way to help certain writers. Prof. S. V. Parameshwara Bhat, an eminent scholar and poet of Kannada had translated the complete works of the great Sanskrit poet Kalidasa. He was worried as he was unable to get it published due to paucity of funds. He approached K. K. Pai who provided him with necessary financial assistance in the form of a loan from his Bank and helped him to publish the monumental work. It is a matter of satisfaction that the books published were sold out within a few months and the poet could repay the loan in full.

K. K. Pai believes in God and religion. He does his daily pooja

in the prescribed manner complete with chanting of manthras and other rituals. He observes most of religious festivals. It is an interesting sight to see him in the traditional attire of red silk dhoti and shawl and performing Laxmi Pooja on Deepavali festival day at his ancestral shop in car street, where his father used to perform decades ago.

Association with Mutts :

Sri Pai's association with the eight Mutts of Udupi has been very close. In fact he grew up in their surroundings and knew them well. As stated earlier their shop had been supplying all the provisions to the Paryaya Mutt daily and this had brought his father close to the Swamijis. When father passed away in 1947, Prabhakar Pai took over the shop. K. K. Pai used to give him necessary guidance from outside till he gained adequate experience in that line. K. K. Pai continued as a partner of the shop and maintained his rapport with Swamijis. He had intimate knowledge of the functioning of the Mutts and their internal management apart from personal rapport with each of the Matadhipathis. He used to offer them advice when sought and extend whatever help that was needed. In course of time he became their close friend and resourceful advisor. He had been particularly helpful at the time of Paryaya festival and contributed in his own way to make it more impressive and popular in recent years. In every Paryaya Sri Pai accepts responsibility as the Reception Committee Chairman and with him as the chairman Paryayam programmes always pass off splendidly well. When the first conference of Akhila Bharata Madhwa Maha Mandala was held in Udupi under the leadership of Sri Pejavar Swamiji he played a major role in organising it.

He is equally devoted and helpful to his community temples and religious heads like Sri Sudhindra Thirtha Swamiji of Kashi Mutt. He associates himself with almost every important events and functions and extends his helping hand. He is one of most respected leaders of his community. He has been powerful supporter of efforts to promote Konkani language. He worked as the President of All India Konkani Sahitya Parishad, Goa. He has initiated steps to publish a Konkani Dictionary with the help of Rashtra Kavi Govinda Pai Samshodhana Kendra of Udupi.

Educational Administrator :

K. K. Pai has been serving in the field of education also in his capacity as an able administrator of Manipal educational institutions. He was closely associated with various educational activities of Dr. Pai from the beginning. He worked as correspondent of Kadiyali and Perdoor

High Schools and M.G.M. College, Udupi. He took all necessary steps to improve the infrastructure of these institutions and also motivated the teachers for academic excellence and maintenance of discipline. At present he heads the famous Academy of General Education as its Registrar and Dr. TMA Pai Foundation as its President. These two institutions are controlling most of the schools and colleges of Manipal Group. He is also the Chairman of TA Pai Memorial Trust which is running the TA Pai Management Institute of Manipal—a well known institute of management studies in the country.

Dr. Shantharam, Administrative Officer of the Academy says “After K. K. Pai took over, he has streamlined the entire administration by his insistence of methodical approach to the process of decision making at every level. He has brought order and discipline in all the institutions controlled by the academy. This is his most significant contribution.”

Sri Pai has his own ideas on many aspects of education and system of education. He is a firm believer in value-oriented education which should inculcate patriotism, sense of discipline and human values in the students. According to him teachers should be selected on the basis of merit because a mediocre teacher cannot inspire students and will ultimately be instrumental in producing a mediocre generation. Of late, he says, many teachers have developed commercial attitudes and engage themselves in various business activities neglecting their duties in spite of the fact that their salaries and service conditions have improved considerably in recent years. He regrets that the cancer of corruption has entered the field of education and is entering into its vitals. He feels strongly that Government should concentrate its resources and energies on providing efficient primary education and leave the field of higher education to private institutions. He says Govt. has unnecessarily burdened itself with higher education which, it is not able to manage effectively. His candid views flowing from his rich experience and penetrating analysis of ground realities are worthy of serious consideration.

A Stint in Politics :

Sri Pai's interest in politics dates back to his student days in Sydenham College, Bombay where he was exposed to the spectacle of freedom struggle and its agonies and ecstasies. He had the opportunities to see and listen to the freedom fighters and national leaders and it inspired in him a strong sense of patriotism and idealism. However being basically a pragmatist he did not abandon his academic career to plunge into the freedom struggle. Nevertheless, his interest in politics as instrument of social service and welfare of the people

remained alive and active in his mind. In early fifties T. A. Pai had taken a plunge into politics and had done enormous work as a legislator of the then Madras Assembly. As a close associate of T. A. Pai, K. K. Pai took deep interest in political activities without sacrificing his career as a banker. He knew the people of all walks of life in Udupi and surrounding places and had considerable influence on them. He became a member of District Congress Committee of South Kanara in which T.A. Pai was President for sometime. He was elected as a councillor of Udupi Municipality in 1947 and continued till 1960. Although he belonged to the Congress party, he had friendly relationships with councillors belonging to other parties and was able to carry them with him in various decisions to improve civic amenities of the town. His sincerity of purpose, seriousness of approach and deep concern for the welfare of the people was transparent and earned a lot of popularity and support. In one of the elections to Municipal Council he contested from two wards and won in both! He became the President of Municipality in 1955 and remained in the position for 5 years. During this period he was able to accomplish many schemes and projects. The famous carstreet of Udupi was cemented during this period. Many new roads were constructed and a plan for water supply scheme was suggested to the Government. Municipality started a convention of giving a civic reception to the Swamiji's ascending Paryaya Peetha on the occasion of their Purapravesha (entering the town after a triumphant tour) which is being continued even today. Subsequently function to felicitate and thank the Swamiji who completed the Paryaya successfully also came into vogue.

As President K. K. Pai used to take his daily rounds in the mornings in various parts of the town to personally observe the condition of roads and other civic amenities. People of older generation still remember him wearing Khadi, Dhoti and Kurta with Shawl on his shoulder walking down their wards to inspecting roads, Garbage grounds and the like. Says Dr. Seetharam Kamath, who was a councillor during his tenure and after "No other Municipal President has done so much work that K. K. Pai did as President. He went beyond party politics if it was necessary in the interest of the citizens."

Gift of the Gab :

K. K. Pai who has wonderful gift of the gab is an effective speaker in English, Kannada, Konkani and Tulu. His speeches are marked by deep understanding of the subjects and simplicity of expression. Whatever may be the occasion, he is able to speak relevantly quoting some interesting incidents or anecdotes from his vast repertory of rich

experience. Recently there was a seminar on Agricultural Development in Manipal in which eminent Agricultural Scientists including Vice Chancellor of Agricultural University participated. In the seminar K. K. Pai spoke with such depth of knowledge of various aspects of agriculture with facts and figures that even the professional scholars heard him spellbound. Nobody could expect that a Banker could have such an unusual mastery over an alien subject.

As is well known, K. K. Pai has a phenomenal memory. This was one of the factors responsible for his outstanding success as the Chairman of Syndicate Bank. He could not only remember the names of most of his Officers and staff members but even their antecedents. In many cases he would even remember their family members also. As a result most of the employees had a feeling that they were personally responsible to him for efficient work and good behaviour. Whenever, he had opportunities to talk to employees he would invariably enquire about their parents or elders. If he attended any family function he would make it a point to meet and talk to the old parents or grand parents of the host which would make them feel happy and honoured. He is equally at home in the company of children. His ability to strike quick rapport with the persons of any age group or class is something that has to be seen to be believed. When asked as to how he was able to develop such a fantastic memory he said it was a result of his deep interest in human beings as well as of conscious efforts to improve. However, most people feel that it is a gift of God.

K. K. Pai has also been a source of help to many people embroiled in personal problems and family disputes. People come to him not only seeking jobs but also seeking justice and solutions to their problems through his advice, mediation or influential intervention. Whether it is a family quarrel, landlord-tenant dispute or any other personal or family predicament, his problem-solving skill has been successful in providing relief to a good number of people.

Sri Pai is blessed with a happy family life. His wife Smt. Saguna Pai as stated earlier, has been great source of support to him. Asked what was her role in his successes and achievements he said with a mischevious smile. "She has allowed me freedom to do whatever I wanted to do". The Pais had their share of grief when two of their daughters met with untimely demise. At present, they have two sons and two daughters who are well-settled. The eldest son Aravind is a medical doctor working in California. Both the daughters Geetha and Sudha are living with their husbands in U.S.A. The youngest son Suresh is an engineer-industrialist in Manipal.

Being virtually the head of the most of the educational institutions,

financial organizations and the publishing house of Manipal group. K. K. Pai today stands like a grand old emperor overseeing the great Manipal Empire. He has fulfilled his mission. His health continues to be good despite advancing age. He continues to work hard and travel a lot. His mother lived upto the ripe old age of 97 years. Considering his present activities and the energy he exudes, one can safely predict that he will cross the century mark in due course. Let us hope and pray to God to shower his choicest blessings on him so that he may continue his service to people for a long time to come. ●

Sri K. K. Pai – His Un-matched Banking Accomplishments

Dr. K. K. Ammannaya*

In terms of public opinion today, Sri K. K. Pai happens to be one of the tallest bankers and greatest achievers in the banking arena in this country. He took over as Chief Executive of Syndicate Bank at a time when phenomenal change was taking place in the basic character of Indian Banking consequent on nationalisation. Conventional Banking was yielding place to development banking and what was more with the enunciation of 20 Point Economic Programme a more onerous and vast and extensive responsibility was thrust upon Banks to implement a programme that had vital bearings on the development of the nation as a whole. At such a time, any Bank required as its 'chief' a person having profound professional skill and expertise and extraordinary ability to ensure sound Banking on prudent lines to ensure fulfilment of social objectives and expectations of society and achievement of adequate profits simultaneously. Sri K. K. Pai was given the responsibility as Chief Executive of Syndicate Bank at such a crucial and critical juncture. Syndicate Bank made giant leaps forward in every direction under his inspiring, effective and dynamic leadership.

Sri K. K. Pai had a distinguished professional career. Having joined the Bank in 1943 as a Sub-Manager, he rose from position to position by dint of hard work, perseverance and dedication. He was promoted as Deputy Manager in 1946. During the period from 1949 to 1954, he

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worked as Managing Director of Southern India Apex Bank on deputation basis. Sri Pai managed this Bank very effectively, contributing to its consolidation and the Managing Directorship of this Bank provided him full insight into the various aspects of management of a Bank. Southern India Apex Bank Ltd. was established in 1942 with its Head Office at Udupi. Dr TMA Pai himself was Chairman of Southern India Apex Bank, with Syndicate Bank as Managing Agents. By 1945 this Bank had branches at Coimbatore, Chennai, Badagara, Calicut, Palghat, Mellichery, Taliparamba, Payyanur and Udupi. By the end of 1945, the Managing Agency of this Bank was given up by Syndicate Bank. Sri K. K. Pai was sent to this Bank to work as its Managing Director in 1949.

In the year 1954, the assets and liabilities of Southern India Apex Bank Ltd. were taken over by Syndicate Bank. The shareholders of Southern India Apex Bank were given not only a rupee for every rupee of Capital invested but also, something extra from out of the Bank's surplus of assets over liabilities. This take over enabled the Syndicate Bank to get 8 extra Branches along with the services of Sri K. K. Pai the then Managing Director of the Bank. Sri Pai came back to Syndicate Bank and took over as Superintendent of Branches. Very soon, he made his mark as an effective Superintendent of Branches and he instituted very effective systems for supervision, control and monitoring of the functioning and performance of Branches. He was Deputy Chief Officer from 1962 to 1964. He occupied the position as Chief Officer on 1st January, 1965. He became General Manager on 01-10-1968. Effective from 01-03-1970, he became custodian of the Bank and subsequently, he was appointed as Chairman and Managing Director of the Bank with effect from 11th December, 1972.

As custodian and subsequently as Chairman & Managing Director, Sri Pai was instrumental in building up the Bank as a sound, progressive, dynamic and vibrant institution and also in developing its image, as a customer – friendly organisation akin to that of friend, philosopher and guide to the customers and people at large.

The post-nationalisation era was the era of Sri K. K. Pai's Leadership for 8 long years from 1970 to 1978. The progress achieved by the Bank during the post-nationalisation period under Sri K. K. Pai could be regarded as spectacular. The Bank followed an exponential growth path. The number of the Branches of the Bank increased from 204 at the end of 1965 to 778 by the end of 1975. Major part of this expansion took place during Sri K. K. Pai's tenure as Chief Executive. The Bank expanded its network of Branches even in Northern

States like Uttara Pradesh, Haryana, Orissa, Madhya Pradesh, Rajasthan, etc.

Area Approach :

During Sri K. K. Pai's stewardship, the Bank adopted "area approach" in the matter of expansion of its Branch network. Using this approach, the Bank could speedily expand its Branch network and achieve significant results in banking development, thereby making significant contribution to the development of the national economy.

An identical approach was later adopted in the form of Lead Bank Scheme, making the nationalised Banks responsible for overall banking development in the districts allotted to them.

Realising the importance of catering to the growing banking needs of the capital city of India, the Bank added 39 new Branches to the network of Branches in Delhi after nationalisation. Total branches in the City thus increased to 45. These branches made excellent progress on all fronts and contributed substantially to the popularisation of the Bank in the capital city. Syndicate Bank soon became a Bank of common people in the city of Delhi with excellent public image.

Another notable achievement in the branch expansion programme of the Bank was the extension of Banking facilities in the Lakshadweep islands. Syndicate Bank carried the message of modern banking to these remote islands during Sri Pai's time. The first branch of the Bank in these picturesque islands was opened at Kavartty on 05-02-1971. At Minicoy the southernmost island in these islands, the Bank opened its second branch on April 21, 1971. During 1972, two more branches were opened in these islands one at Amini and the other at Androth. One more branch was opened in these islands in 1976. The Bank opened its branches in the Andaman and Nicobar island also. The first branch was opened at Port Blair in 1969. The second branch was opened at Camp Belbay. These branches were very successful in developing banking habit among the people in these islands as well as in amassing deposits and business for the Bank.

The rapid expansion of Bank's network of branches was also characterised by expansion into rural areas. The number of rural Branches increased from 43 at the end of 1965 to 308 by the end of 1975. By the end of 1975, the Bank had 308 Rural Branches, 197 Semi-urban Branches, 112 Urban Branches, 145 Metropolitan Branches and 16 Port Town Branches. As could be seen 39.59 per cent of Branches were Rural Branches and percentage of Semi-urban Branches was 25.32%. During Sri K. K. Pai's time accent was on speedy expansion

of branch network in unbanked and underbanked rural and semi-urban centres.

Golden Mean :

In post-nationalisation period, lot of dilution took place in Banking standards in general and in lending standards in particular. Syndicate Bank was an exception to such a development and this was entirely because of K. K. Pai who used to control very effectively every aspect of management in the Bank including credit administration. His stress all along was on sound banking aimed at developing the bank as a strong, healthy, dynamic and performing institution, simultaneously taking adequate care of social objectives. He was largely successful in striking a 'golden mean' between profitability and social purpose. He was of the firm view that inspite of the social objectives Banks were commercial organisations and hence, they should earn adequate profit and reasonable return on investment and their operational efficiency should be measured by the yard-stick of profitability. As mentioned by himself, Syndicate Bank was opening rural branches since 1946 from which time there was marked acceleration in branch Banking activity in Syndicate Bank with thrust, directed towards unbanked centres in rural and semi-urban areas. Banks in pre-nationalisation days were following the process of economic development whereas Syndicate Bank was spear-heading the process of development. The Bank was opening branches in rural and backward areas and financing various sectors of the economy in such areas and developing the areas and thereafter, the Bank was deriving the benefit of such development in the form of larger business. This philosophy from the very beginning enabled the Bank to achieve profitability and social objectives simultaneously. The bank had the objective of financing Cottage Industries trade and agriculture and small business from the day of its births. There was no marked difference between the policy enunciated by the government for Nationalised Banks in 1969 and the objectives of Syndicate Bank. since its establishment in 1925. Certain sectors of the economy were collectively referred to as priority sector after nationalisation. These sectors were selected by Syndicate Bank for concentrated attention at the time of its birth itself. The experience which Sri Pai gained under Dr. T. M. A. Pai in the matter of pursuit of such a banking strategy in pre-nationalisation days enabled him to strike a golden mean between profitability and social purpose during the entire period of his stewardship.

Acceleration in Growth :

During the period of 8 long years of Sri Pai's stewardship, the Bank grew in terms of size and volume of operations. Every year, the Bank's

growth in deposits was much above the national average as could be seen from the following table :

(Rs. in Crores)

Year	Deposits of Syndicate Bank	
	Deposits	Rate of Growth
1970	168	First year of Sri Pai's Leadership
1971	220	30.95%
1972	271	23.18%
1973	349	28.78%
1974	426	22.06%
1975	537	26.05%
1976	691	28.68%
1977	845	22.28%
1978	1076	-

As against national average growth of 15% to 18%, Syndicate Bank always achieved growth of above 22% as could be seen from the above table and Sri Pai could achieve such acceleration in growth by ensuring organised efforts in that direction at all levels. The rates of interest on deposits stood regulated by RBI and all Banks had to pay interest only at rates prescribed by RBI. Therefore, the Bank had to compete with other Banks in mobilising deposits by rendering efficient and personalised service. Sri Pai's stress was on personalised service and there was universal customer - friendly environment in the Bank. As a result, Bank always stood first or second in the growth rate, surpassing many bigger Banks.

At every point of time, the proportion of small savings in the total deposits was very large in the Bank. As much as 10% of the outstanding deposits were always 'Pigmy Deposits'. Sri K. K. Pai introduced an improved version of pigmy deposit scheme in the form of Adarsh Deposit Scheme. I am happy to mention that name 'Adarsh' was suggested by me. This Deposit Scheme became very popular and this Scheme enabled the Bank to amass huge amounts of small savings. With a view to reaching out to various cross sections of society, Sri Pai launched campaigns in the form of Teacher's Week, Lawyers' Week, Doctor's Week, Nurses' Week, Pharamcists' Week etc. and during such weeks, the staff at all the Branches concentrated on canvassing the accounts and deposits of the concerned segment of the market. It enabled the

Bank to expand its client-base considerably. On eve of the Golden Jubilee Celebrations, Sri K. K. Pai launched Golden Jubilee Cash Certificate which also became very popular and enabled the Bank to collect substantial amounts of deposits. During Sri Pai's time, other new schemes like, Suraksha Deposit Scheme, Farmers' Protection Deposit, Cumulative-cum-Housing Deposit etc. were introduced. During Golden Jubilee Sri Pai also started Luckydip Scheme for depositors and large number of prizes were offered to depositors. Sri K. K. Pai's stress all along was on broadening the deposit base at each branch by canvassing small deposits and household deposits. The objective was to achieve enduring growth. Withdrawals if any of such small deposits did not bring about sudden fall in deposits. This enabled the Bank to achieve sound and enduring growth. Sri Pai never tolerated window dressing. During his time, there was no window dressed growth at all as in the case of public sector banks today. At the end of 1969 Syndicate Bank had deposits of Rs. 145 Crores. Sri Pai took charge on 1-3-1970 as custodian. The deposits of the Bank increased to Rs. 845 Crores by the end of 1977. It was Sri Pai's ambition to have 1000 Branches and to achieve deposits level of Rs. 1000 Crores by the end of 1978. As he retired on 22-4-1978, he was not there to see the achievement of the target fixed by him for the year. The Bank also made substantial improvement in per employee deposits and per employee advances during the period of Sri Pai's stewardship. At the end of 1969, per employee deposits were Rs. 2.46 Lakhs and per employee advances were Rs. 1.79 Lakhs. At the end of March, 1978, per employee deposits were Rs. 4.66 Lakhs and per employee advances were Rs. 2.96 Lakhs. There was also improvement in terms of deposits per rupee of establishment cost. At the time of his taking over as Chief Executive, the deposits per rupee of establishment was about Rs. 24.06. This increased to Rs. 44 by the time he relinquished office in April, 1978. During Pai's time, Syndicate Bank always increased its profits year after year. Handsome profits were transferred to the Government during his time. The profits transferred to Government as a percentage to the compensation paid by Government was 6.45% during the period of his stewardship. The following table provides useful data regarding per employee business as on 31-12-1977.

(Rs. in Lakhs)

Deposits	Outstanding Advances	Net Profit	No. of Employees	Per Employee Deposit	Per Employee Advances	Per Employee Profit
84511	56037	192	19526	4.33	2.87	0.01

Paid up capital which was Rs. 141.97 lakhs in 1970 increased to Rs. 300 lakhs by the end of 1977. Reserves increased from Rs. 169.79 lakhs to Rs. 350 lakhs during the period. Total investments which were at Rs. 4627 lakhs in 1970 increased to Rs. 26,231.64 lakhs by the end of 1977. Total resources increased from Rs. 21,412.54 lakhs to Rs. 1,10,297.85 lakhs during the period. Number of employees were 5,872 as at the end of 1969 and the same increased to 19,526 by March 1978.

Support to Priority Sectors :

Aggregate Advances outstanding increased from about Rs. 123 Crores to about Rs. 600 Crores during Sri Pai's period. Priority Sector Advances increased from about Rs. 50.00 Crores to Rs. 246 Crores by March 1978. Percentage of priority sector to total advances was 41% when he relinquished office. It was about 40% when he took charge as Chief Executive.

In order to accelerate the flow of credit to certain sectors of strategic significance the concept of priority sector was introduced by the monetary authorities in the late sixties and the Banks were directed to constantly step up their advances to priority sectors. As indicated earlier Syndicate Bank was financing priority sectors including agriculture from the very beginning. The Bank had the objective of financing cottage industries, agriculture and small business. The policy announced by the Government for the nationalised Banks in 1969 and the objective of Syndicate Bank at the time of its establishment in 1925 were almost similar. Certain sectors called priority sector in post nationalisation era were the sectors identified by Syndicate Bank for concentrated attention and effort much before nationalisation. During Sri Pai's tenure, the Bank continued its efforts to increase priority sector advances. All the sectors of high priority such as agriculture, small scale industries, small business and retail trade, etc. received full attention of the Bank. One of the important operational strategies adopted by the Bank in spearheading the process of development of priority sectors was provision of requisite technical know-how and motivation to borrowers in these sectors. By the end of 1975 Bank's advances to priority sectors amounted to Rs. 146 Crores spread over Rs. 3.6 Lakhs accounts.

The differential rate of interest scheme of lending was launched during the period of Sri K. K. Pai. This scheme was introduced in March 1972. The objective was to extend credit to weaker sections of society at a very low rate of interest i.e. 4 per cent. Syndicate Bank with its experience and expertise in catering to the Banking needs of small man

was successful in extending the benefit of this scheme to a large number of people belonging to weaker sections of society. At the end of 1975, nearly 32,000 borrowers had availed loans under this scheme. The outstanding level of advance under the scheme at that time was about Rs. 1.45 Lakhs.

Support Base :

Sri K. K. Pai placed particular emphasis on expanding the clientele and clientele base of the Bank. According to him, increase in the number of clientele would bring about an increase in the support base for the Bank and hence, as a matter of strategy, he adopted increase in the number of customers as one of the goals of the Bank and he encouraged branches to canvass very small accounts in order to expand the support base for the Bank.

The number of clients of the Bank increased very rapidly during Sri Pai's time. The number of deposit accounts increased from 8 Lakhs at the end of 1965 to 45 Lakhs by the end of 1975. The number of borrowal accounts increased from 1.5 Lakhs to 7.50 Lakhs. Serving the common man was the forte of Syndicate Bank from its inception. The Bank came to be recognised as the small man's bank in view of its policy of accepting small deposits and granting small advances to poorer sections of society. During Sri Pai's stewardship more than 90 per cent of the deposit accounts were with amounts less than Rs. 2,500. Also about 95 per cent of the borrowal accounts were with balances of less than Rs. 10,000/- each.

The following table provides information regarding amountwise distribution of deposits and advances accounts :

Amount-wise distribution of deposits and advances accounts in 1975 (Percentage to total number of accounts)

Deposit Accounts (Amounts)

Upto Rs. 2,500/-	91.8
Rs. 2,501/- to Rs. 5,000/-	4.8
Over Rs. 5,000/-	3.4
Total	100.00

Advances Accounts (Amounts)

Upto Rs. 999/-	65.7
Rs. 1,000/- to Rs. 9,999/-	29.2
Rs. 10,000/- and above	5.1
Total	100.00

Sri K. K. Pai tried his utmost to increase the number of customers both depositors and borrowers. He utilised all occasions such as public functions, visits to various places, etc. to canvass new accounts. He used to address personal letters to prospective clients soliciting their patronage and support.

Novel Avenues :

Among the innovations made by the Bank during the period of Sri Pai's leadership, the farm clinic project occupies an important position. The project was an attempt to implement the concept of integrated credit and extension services. In 1973 on an experimental basis one village in Dakshina Kannada District was selected and farm plans were prepared for each of the cultivating households on the basis of detailed techno economic survey of the village. Credit facilities and extension services were provided for the development of the village through the Farm Clinic. This experimental and exploratory project proved its immense utility in the first year of its operation itself.

Syndicate Bank was one of the first Banks to establish a farmer's service society on the recommendations of the National Commission on Agriculture. The Hiriadka Farmers' Service Co-operative Society Ltd in the then Dakshina Kannada District was the first farmer's service society established by the Bank in 1976. This was Sri Pai's period. Subsequently the Bank took steps to establish similar societies in Andhra Pradesh.

In its search for novel avenues for serving the rural people the Bank took up the task of setting up Gobar Gas Plants and introduced a scheme for financing Gobar Gas Plants. In active collaboration with the Khadi and Village Industries Commission, the Bank successfully introduced the scheme in various parts of the country. This scheme coming at a time it did in the wake of world wide energy crisis caught the imagination of all banking institutions in India.

The Syndicate Agriculture Foundation became very active during Sri K. K. Pai's stewardship. The Foundation popularised the hybrid seeds, introduced mechanised farming conducted varietal trials and organised demonstration plots. The foundation was successful in dissemination of agricultural technology through farm information exchange clubs, future farmers clubs and conducted tours of farmers in various parts of the country. By the end of 1975 the foundation and the Bank organised 46 farm information exchange clubs and 65 future farmers clubs. The "Krishiloka" publication of the Foundation saw a considerable increase in its circulation during Sri Pai's tenure as Chairman.

The scheme of financing Primary Agricultural Credit Co-operative Societies was introduced in 1970. This scheme provided an opportunity to the Bank to extend indirect finance to agriculture. During 1970 the Bank took over 51 Societies in Karnataka and 44 in Andhra Pradesh. The total amount disbursed through these societies during the first year was of the order of Rs. 31.62 Lakhs. Encouraged by the recovery performance in respect of loans disbursed to the societies the Bank systematically brought into its fold additional societies. Efforts such as appointment of paid secretaries to tone up the administration of societies and increasing the capital and membership were made to revitalise the societies. By the end of 1975 nearly 85 per cent of the 171 societies ceded to the Bank were having paid secretaries. The share capital of these societies increased to Rs. 44 Lakhs during the same period. The Bank borrowings of the societies grew upto Rs. 289.08 Lakhs.

German Thoroughness :

Sri K. K. Pai had a rare knack of administering the entire organisation very effectively with his firm grip on every area of activity and on every operating unit. He handled operations and bank management with German thoroughness. He was one of the most effective bank-administrators of India. He had the centralised system of personnel management. But, he decentralised the planning and developmental functions as well as credit administration functions. He created Regional Development Offices for various regions and appointed Regional Development Managers as heads of these offices. These officials were high level mobile functionaries. These high level functionaries were not entrusted with the day-to-day problems of general administration. Their functions were essentially development oriented. They had no powers of loan making nor did they have the job of attending to personnel functions. This experiment of Sri Pai proved very effective and enabled the Bank to organise development on planned and effective lines. This also enabled the Bank to have contacts with various high level officials in various State Governments and also with executives in private enterprises. In so far as credit administration was concerned, the Bank had divisions headed by the Divisional Managers. The Divisions were functioning in Head Office although they had jurisdiction over various geographical areas. The location of the advances' divisions at the Head Office itself was with a view to facilitating consultation with specialised departments like agricultural, finance department, small scale industries department etc. The rapid growth of the Bank and its wide geographical spread in the northern part of India necessitated the creation of a decision making centre at Delhi. Hence, Delhi Zonal Office was opened in 1977.

This Zone was headed by the Deputy General Manager. Sri Pai also delegated adequate powers to Divisional Managers and Branch Managers as well as to the Zonal Head in Delhi. As rightly mentioned by him in an interview which I had with him decentralised operations for efficient and speedy customer service and centralised personnel management for uniform handling of human resources are vital for banking success. Sri Pai kept the personnel management and handling of personnel functions centralised at the Head Office under his direct control with a view to ensuring that all the staff members were provided uniform treatment in all matters, including routine administration of service conditions, transfers, promotions and disciplinary matters. His firm conviction was that personnel department should be a department full of human sympathy, understanding and feelings. According to him, the department should provide leadership and command confidence and affection of employees and it should enthuse them to give better performance and satisfactory customer service. As regards industrial relations Sri Pai's stress was on reforming staff members who commit mistakes. There was no punitive approach. There was a system of encouraging motivating and rewarding performers. There was no punishment for genuine mistakes committed in the process of performing the duties. Sri Pai never fixed accountability for loans becoming doubtful and bad as is being done today in the Banking Industry.

Core Competencies :

Today, many experts speak of harnessing core competencies for building up Banking Institutions. Indian Banks particularly those in the public sector today can hardly claim to have any distinguishing core competencies in terms of work culture, quality of personnel management practice or specialised skills. But, Syndicate Bank had such core competencies in abundance. Dr. T. M. A. Pai, Sri T. A. Pai and Sri K. K. Pai were developing such core competencies as a matter deliberate effort throughout. Institutional loyalty of staff and their commitment to the Bank, good work culture and good organisational culture, unique system of centralised and objective personnel management, etc., were the core competencies of Syndicate Bank. The existence of Head Office at Manipal itself was a core competency of the Bank and the ties of the Corporate Office of the Bank with the customers and general public at the emotional level was by far the most important core competency of Syndicate Bank. Sri K. K. Pai was a person who further built up these competencies and developed the Bank and its brand image as a Bank easily approachable by all. He adopted a slogan "where service is a

way of life" which reflected one of the core competencies of the Bank. This slogan was suggested by Sri K. R. Prasad, then Chief Development Manager of the Bank. Even now, the Bank is using the same slogan.

Historic Event :

Golden Jubilee celebrations held during K. K. Pai's time was a historic event. The celebrations were a period of rejoicing for staff and customers. The celebration was inaugurated by Honourable Sri C. Subrahmanyam then Union Finance Minister, Honourable Sri N. D. Tiwari then Chief Minister of U.P. was the chief guest. The entire populace of the D. K. District enjoyed these celebrations and it became "people's celebration". Mr. Pai organised the celebration for a full week. Publication of useful literature on banking, seminar on banking exhibition on industrial and rural sector, conferring of awards etc. were highlights of the celebration.

The galaxy of eminent guests who participated in the function on different days included Honourable C. Subrahmanyam then Finance Minister, Government of India; Honourable T. A. Pai the Union Minister for Industry, N. D. Tiwari, Chief Minister of Uttara Pradesh; Sri H. M. Chennabasappa, a senior Minister of Karnataka; Smt. Shashikala Lakodkar, Chief Minister of Goa; Sri K. R. Puri then Governor of Reserve Bank of India. Chairmen of various banks, eminent bankers and leaders of various states also participated. On the final day Sri C. Subrahmanyam who has been recently awarded Bharat Ratna paid glowing tributes to the Bank for its achievements and appreciated the leadership of K. K. Pai. The public function was attended by over 10,000 people. The public function was held in a specially erected pandal in front of the Bank. The whole event was considered a rare event in the history of the Bank. Dr. T.M.A. Pai, the creator of Manipal also graced the occasion. To mark the event, Sri Pai constructed the Golden Jubilee Hall at Manipal which is now available even to the public for arranging functions such as marriages, Upanayanam, etc. As a part of the celebration, Sri Pai also arranged a Seminar on 'Banking Development for Economic Growth' in which, noted economists, administrators and academicians participated. As mentioned by Sri K. K. Pai himself, the Bank wanted to utilise the opportunity of Golden Jubilee Celebration to demonstrate in unmistakable terms the Bank's concern for the dominant economic issues of the country. Sri T. A. Pai then Union Minister for Industries inaugurated the Seminar. The topics selected for the seminar and the papers presented were on the following topics :

- a) Banking and Economic Development
- b) Banking Growth and monetary Policy

- c) Rural banking and profitability
- d) Banking as a service Industry : An appraisal
- e) Banking and Economic Welfare.

The seminar was held on 19-10-1975. The ideas which emerged from the seminar enabled the Bank subsequently in adding new dimensions to its efforts at socio-economic development. As a part of the Celebrations, the Bank also instituted Syndicate Bank Golden Jubilee Medals in various universities in India. A special Cash Certificate Scheme called 'Golden Jubilee Cash Certificate' was also introduced on the occasion of Golden Jubilee celebrations. The Golden Jubilee Celebrations passed off splendidly well and the same contributed very significantly to the building up of the Bank as an All India Institution with a public image akin to that of friend, philosopher and guide to the customers.

Development Strategy :

Sri K. K. Pai had his own approach to business development. He went by the concept of relationship Banking developed by Dr. T. M. A. Pai. He had constant rapport with all borrowers. There was some sort of obligation developed on the part of borrowers towards the Bank as a result of the firm ties between them and the Bank. As a strategy for building up relations, Sri Pai used to go through each letter received from parties regardless of whether they were customers or not and all the letters were replied promptly. Most of the replies were dictated by himself. He had a system of receiving letters from the Branch Managers every month indicating the activities and business development achieved during the preceding month. He used to go through all the letters and pass orders on them wherever necessary. To a question which was posed to him during an interview, asking him whether such a system did not lead to dilution of the authority of senior executives at the Head Office, he replied that the idea was to have independent channels and independent sources of information. Information flowing through such letters was a useful resource and many a time, the same even provided data base for decision making. This also brought to light delays occurring at various levels and he could reduce the delays and ensure satisfactory service to customers based on the information received through such direct communications from operations. Managers letters also served to apprise him of the ground realities and real situation at Branches. Such letters brought to light delays in handling various matters at departmental levels at the Head Office and in handling development matters at the level of RDMS and based on information received through such letters he could reduce delays by calling for

papers and files and by speaking to RDMs over phone. Such direct communication enabled him to get full grip over the operations and first hand information about all happenings and developments in all corners of the Bank.

Another important strategy followed by Sri Pai for business development was personal rapport and correspondence with the parties. As and when he came to know about new ventures and birth of new companies, he used to write demi-official letters to the men behind such ventures or companies soliciting their business. Many such letters by him brought fresh business and deposits to the Bank. Managers were encouraged to establish contacts with new parties in their operational areas. In cases where letters to such parties from the Chairman seeking their patronage was necessary, the Managers had to indicate their names and addresses in the monthly letters to Chairman. Sri K. K. Pai used to write demi-official letters to all such parties soliciting their deposits and patronage.

Sri Pai used to review the performance of each Branch and each Region himself with reference to targets and with reference to the expectations that the Head Office had of the Branches/Regions. To Managers who performed well and reached the annual targets or quarterly targets, he used to write individual letters of appreciation himself. He also instituted a system of awards called 'man of the year awards' and these awards were presented to outstanding performers. The outstanding performers were identified on the basis of objective norms. Performance in almost all the areas of Banking activity such as deposit growth, growth of advances, quality of advances, earnings and profitability, recovery of advances, customer relations, staff relations, house keeping, etc. were reckoned while assessing performance for the purpose of awards. Sri Pai also launched competitions for Branches for canvassing deposits of various categories and an incentive scheme was introduced. All these enabled the Bank to develop a healthy spirit of competition among branches and staff members. It was Sri K. K. Pai who established a separate Planning and Development Department in the Bank in 1971 to look after planning and development functions. With the help of the Planning and Development Department, Sri Pai implemented the above schemes. Sri Pai opened large number of new Branches both in Lead and Non-Lead Districts and developed the Bank as an 'Institution' of all India stature. Under the Lead Bank Scheme Syndicate Bank was allotted lead role in respect of the districts of Bellary, Belgaum, Bijapur, Dharwad, Dakshina Kannada and Uttara Kannada Districts in Karnataka, Anantpur, Cuddapah, Kurnool, Nellore and Prakasam Districts in Andhra

Pradesh, Mathura, Meerut and Moradabad Districts in Uttara Pradesh, Kannur in Kerala and Gurgaon in Haryana. These apart, the Bank was also designated a Lead Bank for the Union Territory of Lakshadweepa. The re-organisation of districts during the subsequent years resulted in the allotment of additional districts namely Ghaziabad in Uttara Pradesh, Faridabad in Haryana and Kasargod in Kerala as Lead Districts. All the Lead Districts were surveyed and bankable centres were identified and efforts were made to open Branches in all un-banked centres in Lead Districts. The last Branch opened by Sri T. A. Pai was 365th Branch at Banswada on 27-2-1970. Sri K. K. Pai opened 958th branch at Parigi on 10-4-1978. Thus, Sri K. K. Pai increased number of Branches from 365 to 958, an impressive achievement indeed !

Overseas Operations :

Till August 1976 the Bank had no foreign branch. It was Sri K. K. Pai who launched overseas operations for the first time in Syndicate Bank. The first major landmark in the progress of the bank by taking up overseas operations was the opening of first overseas branch in London. This Branch was inaugurated on August 17, 1976 by Sri B. K. Nehru, the then Indian High Commissioner in U.K. It was a momentous occasion unfolding a new era in the progress of the Bank.

Planned Approach :

Sri K. K. Pai was the first Chairman to introduce a new system of planning to bring about faster business expansion. He introduced the concept of performance budgeting in 1973. The first performance budget of the bank was prepared and adopted for the year 1973. It was circulated only to Regions. The first published performance budget was in respect of 1974. Thereafter every year bank prepared and released performance budgets. Performance budgets for all branches and regions were finalised on the basis of negotiation with concerned managers or the Regional Development Managers Democratic system of performance budgeting helped the bank to achieve fast growth by winning the commitment of all Managers and staff. The Regional Development Managers were given the task of co-ordinating, guiding and monitoring the efforts of branches at the implementation of their performance budgets.

Sri Pai used the forum of bi-annual conferences of Regional Development Managers for discussing development strategies and matters relating of business expansion and expansion of net work of branches. He used to give lot of importance to such conferences. Three days fixed for 12th Conference of RDMs held in August 1977 being last such Conference in Sri Pai's regime were found to be inadequate

for completing the business sessions. The agenda for the Conference had some 70 items, all requiring detailed discussion for arriving at decisions. The participants therefore had to burn the midnight oil on 5th and 6th August, 1977 busy discussing the agenda items. On 6th August, they sat through for such a long time that it was almost 7th August by the time, they completed the business scheduled for 6th August. Sri K. K. Pai, Chairman who presided over the concluding session, was with the RDMS throughout the night on 6-8-1977, guiding the deliberations and passing orders regarding the decisions taken on the basis of the minutes presented to him by the organisers of the Conference. Such was his commitment for the Bank and such was his concern for results. He was ever prepared to burn the midnight oil for the sake of developing and building up the Bank.

Reinforced Firmness :

As a Banker, Sri K. K. Pai was known for his firmness. The historic strike of 1965 in Syndicate Bank further re-inforced his firmness in handling industrial relations issues. He was chief officer of the Bank at that time. He analysed the strike and he did not call it a 'strike' at all. On the other hand, he called it 'Individual indiscipline' on the part of the concerned employees. As many as 800 Charge-sheets were issued. A Civil Court in Mumbai had given a judgement stating that within stipulated distance, there should be no demonstration and shouting. The strike continued for a long time. In spite of the prolonged strike of employees, all the Branches of the Bank functioned normally. Sri Pai introduced a coded reporting system to get feedback from branches on daily basis regarding strike and its impact. Customer service continued to be satisfactory during strike period as officers were on duty. Even clearing was not affected as officers handled the job. In many other Banks even clearing was affected. So, they approached the Syndicate Bank to do something to stop the strike. At one point of time, Central Bank of India pressurised Indian Banks Association to intervene in the matter. A 'One Man Commission' was appointed by the Indian Banks Association as suggested by Sri T. A. Pai. Sri T. A. Pai was in Food Corporation of India at that time. Immediately, Sri K. K. Pai spoke to Sri T. A. Pai and told him that the 'One Man Commission' was not acceptable to him. Sri K. K. Pai issued a Press Statement stating that the Bank was not a party to the appointment of 'One Man Commission'. In the meanwhile, Sri K. K. Pai derecognised the Employees' Union. The All India Bank Employees Association President - Sri Prabhatkar came to discuss with Sri K. K. Pai. The Managing Director of Union Bank of India - Sri Nariman also came to

Manipal. Sri K. K. Pai suggested to Sri Prabhatkar that he might make an appeal to the Board. Accordingly, he appealed to the Board. Sri K. K. Pai, thereafter apprised the Board regarding the entire matter. Then, as decided in the Board, Sri Prabhatkar and Sri K. K. Pai together visited many places where the employees were either dismissed or were charge-sheeted. The objective was to find out reasons for the strike. It was found that there were no specific issues for the strike. It was discovered that it was a misguided strike. It was also found that overtime pay was cornered by the members and office bearers of the Union alone and not by other employees. Based on the report of the Committee, it was agreed to have case by case review. On the basis of case by case review, it was agreed to give lesser punishment to some employees. 12 Employees were ultimately dismissed. It was agreed in the beginning itself that cases of excessive misconduct would not be reconsidered. An agreement was signed in which All India Bank Employees Association expressed regret for the unnecessary and un-called for strike, but, requested to re-consider and give lesser punishment and have a spirit of forget and forgive. The manner in which Sri K. K. Pai handled the strike of 1965 earned him Kudos in the entire banking industry and he came to be regarded as an 'Iron Man' in the Banking Sector. He was known for his firmness during his Chairmanship as well. He firmly controlled all executives and enforced discipline at all levels. He carefully monitored the movements and business development visits and branch visits of RDMs and senior executives and he ensured result-oriented visits and tours on the part of RDMs and executives. Once he formed a judgement or took a decision, nothing would dislodge him from the same.

Awards Galore :

Sri Pai was a top Banking performer throughout his tenure. During his regime, the Bank won awards for outstanding performance in various areas. The Bank won Indian Merchants Chamber Award for outstanding performance in mobilising small savings, FICC Award for outstanding contribution to the promotion of agriculture and NAYE (National Alliance of Young Entrepreneurs) Award for outstanding performance in the field of providing self-employment opportunities and FICC Award for maintaining best and harmonious industrial relations in the Bank.

New Institutions :

Sri K. K. Pai was the first Chairman of a Nationalised Bank to launch a new institution viz. an RRB. During the stewardship of Sri K. K. Pai, the first Regional Rural Bank was inaugurated by Sri C. Subramanyam,

the then Finance Minister on 2-10-1975. During Sri Pai's time, as many as five RRBs were established as under :

Name of the Bank	Date of Establishment	Districts covered
1. Prathama Bank Moradabad	02-10-1975	Moradabad & Rampur Districts of Uttara Pradesh
2. Gurgaon Grammena Bank, Gurgaon	28-03-1976	Faridabad and Gurgaon and Mahendragarh Districts
3. Rayalaseema Grameena Bank, Cuddapah	06-08-1976	Cuddapah and Kurnool Districts and part of Prakasam District of Andhra Pradesh
4. Malaprabha Grameena Bank, Dharwad	31-08-1976	Dharwad and Belgaum Districts of Karnataka
5. North Malabar Grameena Bank, Kannur	12-12-1976	Kannur and Kasargod Districts and Mananthody Taluk of Wynad District of Kerala

Employment Generation :

Sri Pai's most striking achievement was generation of employment opportunities for thousands of youngmen and women. He was instrumental in launching self-employment endeavour project jointly with Jaycees. For making outstanding contribution in this area, he was awarded meritorious service award by Jaycees International. K. K. Pai was the first Indian to receive this award. Sri Pai extended his full support to the Jaycees. Under the self-employment endeavour programme a local chapter used to identify young, educated unemployed persons with enterprise who were interested in self-employment. Imparting practical training and educating un-employed young men in vocations suited to them, encouraging young potential entrepreneurs and assisting

them in starting their own business or trade through making credit available to them were the main objectives of this Scheme. The Scheme started by Sri K. K. Pai jointly with Jaycees was a great success. The Project helped 1400 unemployed persons to start their own ventures which in turn, generated additional jobs for 4200 people. Sri Pai was also responsible for instituting Syndicate Bank Award for popularising self-employment endeavour project.

In the field of Small Scale Industries also, the bank achieved note-worthy progress during Sri Pai's time and as a result, lot of employment opportunities were created. The self-employment clinics were set up by the Bank in all big cities as a part of the self-employment campaign.

Training in Bank Management :

Sri K. K. Pai had opportunities to undergo training in various institutions of repute. He participated in a training programme in the Administrative Staff College, Hyderabad. He participated in the International Summer School of Banking held in Scotland in 1958. He also had the opportunity of studying the working of Westminster Bank, London. He also participated in programmes, seminars and workshops organised by Indian Institute of Management, Ahmedabad, National Institute of Bank Management, Mumbai, etc.

Sri K. K. Pai had many opportunities to go abroad to study banking operations and practices. He visited United Kingdom, some European Countries and Egypt in 1958. In 1974 he had occasion to visit Thailand, Hongkong, Japan, U.S.A. and Italy. He also visited Middle East, Japan, Hongkong, Malaysia, Philipines and Singapore in 1976.

Un-matched Perseverance :

As a Bank Officer, as a Bank Executive and finally as Chief Executive of Syndicate Bank, Sri K. K. Pai displayed unmatched perseverance and rare qualities of dedication and commitment to his work as well as to the Bank. He was fully committed to the work and there was no parallel for his hard work and dedication. He was working for 17-18 hours per day. He used to sit even till late in the night in Office for completing the work. To a question which I posed, asking him how he could derive so much of energy and how he was able to manage the time, he replied that we should not be slaves of time. According to him, we must be the masters of time. He told that he was sitting late with a view to compensate for the time lost in other public relations activities, functions, visits, etc. and also for reducing delay in disposal of papers including loan proposals. According to him, any delay in the disposal of loan proposals would affect customer service. He told me

that energy came to him from determination to finish the work and keep things up-to-date.

**“The heights by great men reached and kept,
were not attained by sudden flight;
But they while their companions slept
were toiling upward in the night”.**

– H. W. Longfellow.

This was exactly true of Sri K. K. Pai. His unmatched accomplishments in the field of banking and the great heights reached by him were on account of his exertion, hard work and perseverance alone.

After Sri K. K. Pai, no other Chairman of Syndicate Bank could reach his height in terms of achievements and professional stature. According to public opinion today, after Dr. T. M. A. Pai and Sri T. A. Pai none else in Syndicate Bank has been able to reach any considerable height except Sri K. K. Pai. He could acquire capacity for reaching such height in spite of his being from outside the family of ‘Tonse Pais’, by dint of hard work and perseverance. According to him capacity was not a ‘family’s property’. He informed that it was only through hard work and perseverance that he could come up. Dr. Pai gave him lot of training and proper exposure. He too took his own initiative and availed himself of all the opportunities available and made available to him in the Bank and this alone enabled him to come up in the organisation. As mentioned by himself, he was under a great Banyan tree (reference to Dr. T. M. A. Pai) They say nothing grows under it. According to Sri Pai, it is not a proved theory.

Rare Qualities :

Sri K. K. Pai was a professional banker with rare qualities of head and heart and with his own firm convictions. According to him, decentralised operations for efficient and speedy customer service and centralised personnel management for uniform handling of human resources and uniform staff administration are vital for banking success. He had conviction that profitability and implementation of social objectives were not incompatible. According to him, they could and should go hand in hand. In an exclusive interview which I had with him, I asked him what was his experience in achieving profitability and social objectives simultaneously during the 8 long years of his stewardship in the Bank. In reply, he mentioned that, Syndicate Bank was financing priority sector including agriculture from the day of its birth. The first Memorandum of Association of the Bank itself was specific and very

clear in this regard. The Memorandum contained the objective financing cottage industries, trade, agriculture and small business. He categorically said that there was remarkable resemblance between the policy spelt out by the Government for the nationalised banks in 1955 and the objective adopted by Syndicate Bank at the time of its establishment in 1925. What came to be known as priority sector policy in the post-nationalisation era, was the sector of major thrust for Syndicate Bank all through its history. He mentioned that the Bank had experienced in achieving profitability and social objectives simultaneously from its beginning itself. Therefore, according to him, there was no necessity for any major adjustment or change of strategy after nationalisation. Nationalisation, according to him was only a continuation of the earlier policies of the Bank with extra emphasis on social content of the policies. The Government of India, Ministry of Finance had called for comments of the Bank on the recommendations of Banking Commission headed by R. G. Saraiya, Sri Pai gave his comments in a forthright manner on all the recommendations of the Commission.

The most striking feature of Sri K. K. Pai's personality is his compassion and consideration for the poor and the weak. Whatever role he played including his role as Chairman of Syndicate Bank, he kept the interests of poorer sections of Society uppermost in his mind. He provided thousands of jobs to young boys and girls from poor and weaker sections of society irrespective of caste, creed and community. In the Interview which I had with him I asked him what prompted him to adopt such principle in his life. He replied that as a member of Udupi Municipality and subsequently, as the President of Udupi Municipality, he got lot of opportunities to be with the people. His tenure in the Municipality provided him lot of insight into the problems and difficulties of people. This prompted him to keep the social objective uppermost in his mind. He revealed that even during his student days he was active in the struggle for freedom. He was a member of All India Forward Block First Reception Committee. He was a member of District Congress Committee of the Indian National Congress. All these roles gave him opportunities to get insight into the problems of people.

Trained Memory :

Sri K. K. Pai had photographic memory during his stewardship in Syndicate Bank. This memory alone enabled him to ensure continuous effective follow up in respect of various tasks assigned by him to lower level functionaries. When I asked him how he could train his memory so well and how he was able to maintain such memory even now when he was 78, he replied that memory was something which had to be

developed through practice. According to him, repeated handling of same issues, repeated interaction enable us to develop memory. He told me that memory could be trained and once it was trained well, it could be retained inspite of advancing age. In his opinion, trained memory never fails. Sri Pai happens to be a great thinker and he has his own perception and views regarding various issues and problems of the country. He has his own views regarding various banking issues as well. When I asked him what he had to say regarding Banking reforms in India, he mentioned that not much of reform has taken place so far in the banking sector in India. He felt that reform should cover human resources, since human resources form the basis for the success of banking, regardless of the technological up-gradation which is taking place. In his view, computers cannot completely replace people. His view is that recruitment should be left to the individual banks.

According to him, there has been the cooling off of the initial enthusiasm and the zest to pursue the social objectives set out in the nationalisation policy.

The employees in recent years have not shown any great commitment to social objectives in action, as was expected of them. He feels that the BSRB has out-lived its utility and purpose. In his view, there is no case for continuation of the BSRB. Recruitment should be the function and responsibility of individual Bank managements and not of the BSRB which has no human personality and sympathetic make up to advance the social objectives. The BSRB, according to him, has no heart and no loyalty to itself. Recruitment must therefore be the function of individual bank managements. He also mentioned that recruitment cannot be an objective, impersonnel exercise. It has to be subjective, to build strong bonds between the two—loyalty to the organisation and faithfulness and obedience to management personnel. The employees must choose their bank and management must select the best among them having regard to social equity and justice and regional objectives. Selection should not be based on mere academic qualifications alone or social objectives alone. It should be a mix of the two. After recruitment, banks have to develop in them a sense of belonging and loyalty to the institution proper training should be given to them. Trainers should be knowledgeable and they should be a model to trainees. When he was asked to indicate the reason for poor morale and poor involvement of staff in bank functions in public sector inspite of good compensation package, he mentioned that this is on account of the personnel departments of banks becoming thoroughly impersonnel these days. Different Zones/Circles in Banks handle personnel management differently and there is no uniformity in this

regard. Personnel Departments have become too impersonal and are devoid of human sympathy understanding and feelings. Strengths of people are not properly used. Good workers and people who never work are treated on par. There is no recognition of good work and good performance. According to him, all these have affected morale of staff. Handling of personnel has to be done with care, since human resources happen to be very sensitive resources. In his view, along side steps taken for motivation and empowerment of staff, Banks should adopt a reformative approach to industrial relations and disciplinary action. The personnel functions should be handled centrally from the Head Office and the Chairman himself should look after personnel functions. The Chairman is the leader and the image of the Bank is what he can create. Leadership cannot be delegated. Chairman is the symbol for the entire organisation. Uniform handling of all the personnel functions under the leadership of the Chairman himself will ensure uniform administration of service conditions and uniform handling of various personnel functions such as promotions, transfers, etc. If these matters are handled objectively and without any bias and prejudice then, the staff can be motivated to give of their best. According to Sri K. K. Pai, Personnel Departments in Banks have to re-orient their approach and adopt a pro-active human resources management system in the place of existing re-active system.

Sri K. K. Pai was of the view that Officers and Executives should maintain good personal image so as to project good image of the Bank. He used to encourage writers. After seeing my article on one of the aspects of banking in a journal, he had passed remarks then and there as under: "Mr. Ammannaya, why not you indicate your position and the name of your Bank in your articles? Will it not fetch you and the Bank publicity?" His view was that all officers should contribute to publicity in whatever way possible and according to him, officers with flair for writing could do a lot in this regard.

During Sri K. K. Pai's time, recruitment of staff was mostly from Udupi, Dakshina Kannada and other neighbouring Districts in Karnataka. I asked him why recruitment was from these Districts and I specifically asked him did it not promote regionalism. He answered in the negative. He mentioned that initially, the Bank was operating mostly in Dakshina Kannada and other neighbouring Districts. Gradually, with the opening of Branches in other States, including northern States, recruitment from those States also took place. In the initial years of the Bank recruitment was done locally to make use of the local feel and the local knowledge of the staff in the developmental efforts of the Bank. After recruitment, the staff members were trained

and groomed to take up responsibility in Districts and States outside as well. The staff members from Dakshina Kannada and neighbouring districts in Karnataka were made to feel national in their thinking and approach. Local recruitment did not mean restricting the recruitment to Dakshina Kannada District. The Bank recruited staff from the areas where it opened branches subsequently as indicated by Sri Pai during the course of the interview which I had with him.

Sri K. K. Pai, as a banker was known for his concern for development of the economy. He gave lot of importance for banking activities aimed at the development of agriculture and other allied sectors. He encouraged and built up the Syndicate Agriculture Foundation. During his Chairmanship, it became an active organisation. It contributed substantially to the expansion of extension activities. I asked him whether such activities would not affect the profitability and viability of the Bank. Sri Pai replied in the negative. According to him, such activities are vital and by means of such activities, the economy can be developed and on account of development, larger business will be flowing to the Bank. According to him, the extension activities and the activities of Syndicate Agriculture Foundation have really helped the people and the Farming Community around. Such activities never affect the profitability of the Bank. The Syndicate Agriculture Foundation was not part of Syndicate Bank. It is a separate legal entity. It is an 'NGO'. The Bank used the services of NGOs for various rural projects and even the Government makes use of the services of NGOs. It is not a subsidiary of Syndicate Bank. In his view, the Foundation should be continued in the interests of the people and the Farming Community around.

In spite of his retirement from service in 1978 itself, Sri Pai is still heading many institutions including a few NBFCs as Chairman. In the financial service industry today, we have too many players. We have got public sector banks, private sector banks, new generation private banks, RRBs, Co-operative Banks and large number of NBFCs. I asked him what was his view regarding the existence of so many players competing for the same business from the same people. In reply, he mentioned that public sector banks, private sector banks, new generation private banks, RRBs, Co-operative Banks and NBFCs all have their role to play. According to him, there should not be any adhoc decision to annihilate any of these institutions. Within the framework of control and regulation, they must be allowed to play their role. Survival of the fittest should be the principle in such matters and there is no need to think of adhoc decisions such as mergers, narrow banks, etc. as is being advocated by some people. He also mentioned that the Reserve Bank of India should play its role effectively, objectively and

well and without any bias towards any of the institutions. The Reserve Bank of India should take timely action to help out or to prevent decline in performance levels of banks. The RBI should also display helpful attitude towards all Banks and there should not be any favoured treatment to any one of the banks like, SBI. All Banks should be treated on par, according to the view expressed by Sri Pai.

Sri K. K. Pai was one of the very few bankers, who provided employment in the Bank to young boys and girls coming mostly from rural areas with lesser educational background. Total number of employees of the Bank increased to 19,526 by 31-12-1977. At the time of his taking charge as Chief Executive the Bank had total staff strength of 5872. The increase in staff strength was by 13,564 during the period. The number of jobs given by Sri Pai during his time was about 14,600. Sri Pai recruited large number of girls during the period. Candidates having special talents such as cricketers, weight liftors, sportsmen, magician, wrtiers etc. were also recruited by Sri Pai. He used to prefer candidates with SSLC for bank jobs. His view was that the employment should be given to middle class and poorer people since the job would help them to make a living. He used to assess the attitudes and temperaments of candidates while giving employment. His idea was to recruit local candidates and develop a sense of belonging and institutional loyalty in them so that, they might give of their best to the Bank.

Constant Spur :

Growing enthusiasm with advancing age is one of the most striking features in the personality of sri K. K. Pai. In October 1994, I had invited him to participate in the decennial celebration of Varada Grameena Bank along with the Executive Director of Syndicate Bank. Inspite of his advancing age, he started early from Manipal and reached Kumta at about 9 a.m. In that function, Sri K. K. Pai gave a motivation speech, which acted as a spur for accelerated growth thereafter. Sri K. K. Pai was a continuing source of inspiration and motivation to me in all that I attempted and achieved. I was in constant touch with him for guidance and blessings. His encouragement is a constant spur for banking activists and banking professionals who want to make some contribution.

Sri K. K. Pai has very few parallels today. Even in retirement, he is very radiant as a banker and as person interested in every area of human activity. He always keeps himself well informed about the happenings around and about the national issues as well as local problems. He is presently the 'Torch Bearer' for the Manipal Institutions. He takes interest in Banking issues and he reacts immediately even

published articles as could be seen from one of the letters which
sent to me after going through my article on Banking Reforms
published in 'Fortune India'. The letter is reproduced here below:

Dear Dr. Ammannaya,

I have read your article published in the Money and Banking Section
Fortune India of March 1, 1995. It gives a clear idea of the banking
reforms now being brought about and under implementation. So far
so good.

I would like to point out here that there are a few important issues
left out of the purview of your article and also of the RBI and the Finance
Ministry. They are:

1. Abolition of Banking Services Recruitment Board and the common
recruitment for all Banks through BSRB Tests. The BSRB has not
been able to fulfil social obligations like giving rural candidates a
special weightage in selection, giving choice of the Bank to the
candidates, etc. It is found that those candidates coming from
backward regions do not get a chance at all in competition with those
from metropolitan and urban areas in employment.

2. The Indian Banks Association has already become obsolete and
outlived its purpose. Except for concluding Bipartite and Tripartite
Agreements once in 2 or 3 years with AEBEA etc. always conceding
more than justified salary increases and perquisites, it has done
nothing to improve the banking situation in the country in any manner.
It has failed to secure the commitment of Bank Employees to higher
productivity as against very poor average productivity of the
employees including officers at present. It has failed to get firm
commitment of employees to give efficient and courteous services
to the customers despite holding tamashas of Customer Meets and
Courtesy Weeks. There is absolutely no involvement of employees
in the true spirit in which we expected them to serve after
nationalisation. Today Indian Banking is an orphan, disowned by its
owner, the Govt. of India, not loved by the employees nor customers.
To whom do Banks belong? None have a sense of belonging!

3. The so called Vigilance Department in every Bank is a great inhibiting
force for all honest and good performers, among officers and
Executives. If vigilance cases are analysed, you will find small fries
being harassed, charge sheeted and prosecuted and serious cases
of corruption, forgeries and frauds, causing heavy losses to the Banks,
are either ignored or taken up for investigation after long delays and
never quickly dealt with.

4. Reserve Bank Inspection Supervision and control are not effective
and not prompt. RBI itself has become a mediocre organisation and

RBI is susceptible to the same weaknesses and failings as other Banks.

5. The Personnel Departments of the Banks have become impersonal and are devoid of human sympathy, understanding and feelings. They fail to provide leadership and to command the confidence, respect and affection of the employees and to enthuse them to give better performance and customer services.

Unless these issues are satisfactorily tackled and solutions found, I feel that Banks will not be able to meet the challenges of the time and discharge their social obligations.

Please let me know what you have to say to my above observation. To me they are vital issues and on their proper solution lies the fate and fortune of the banking industry in India, in future."

This clearly shows that Sri Pai is having lot of concern for Banking Industry even today even though he is outside the Banking Industry. The addressing of the issues mentioned by Sri K. K. Pai with a view to tackling them and finding solutions to them will surely go a long way in contributing to the building up of public sector banks and improving their operational efficiency.

Rural Development Banking— Contribution of Sri K. K. PAI

K. M. Udupa*

It was in the year 1964. Sri K. K. Pai was the Chief Officer of Syndicate Bank. Sri T. A. Pai, Managing Director returned from his tour of U.S.A. He made a detailed study of the Bank of America's Rural Credit operations. What impressed him most was that, Bank of America being the largest Bank of the world had contributed richly towards the development of Agriculture, Horticulture and Animal husbandry particularly in the state of California. More than $\frac{1}{3}$ of the total lending of time Bank at that point of time was made in this state. As a result California was the most prosperous state among the 50 odd states of the country. He tried to draw a Parallel to this achievement in India. Sri Pai felt that in a country like India where more than 70% of the people derive their livelihood from Agriculture, Banks have to play a great role in providing credit to stimulate agriculture growth and thus increase production.

It was a time when country was reeling under the problem of food shortage. American wheat alone could have saved the situation. Unless we increase domestic production of food grains, by supporting our farmers with technology and finance the future was turning to be dangerous.

At this critical juncture in 1964 Syndicate Bank took a historic and revolutionary decision of launching credit support programmes to farmers.

* K. M. Udupa Ex-Chairman of Malaprabha Grameena Bank and Ex-Dy. General Manager of Syndicate Bank. He had close association with K. K. Pai for a long period. He has written many articles on Rural Banking and Agriculture.

Dr. T.M.A. Pai was the chairman of the Bank. Sri T. A. Pai was the Managing Director and Sri K. K. Pai was the chief officer. When Sri T. A. Pai mooted this idea, which was considered as a taboo for commercial banks, both Dr. Pai and K. K. Pai whole heartedly supported it. Agriculture Finance Department was borne in 1964. From then onwards it was an era of innovations in farm and Rural Credit by Syndicate Bank.

In 1965, Sri T. A. Pai left the Bank to head the newly formed "Food Corporation of India". The mantle of running the Bank fell on Sri K. K. Pai. The Bank was facing an unprecedented labour problem from workmen staff. It was a testing time for any executive head of a Bank. Sri K. K. Pai took the challenge of supporting both Agriculture Finance Schemes and handling the staff unrest. There was tremendous pressure on him. In such a peculiar circumstance one would not have ventured in to taking up such a risky credit operation. But the administrator in Sri K. K. Pai saw to it that the bank carried on its innovations successfully.

Seeds of Green Revolution :

Food and Agriculture Minister Sri C. Subrahmanian took a historic decision to directly introduce high yielding and Hybrid varieties in to farmers fields in case of major food crops like Rice, Wheat, Maize, Jowar. Sri K. K. Pai as the chief executive of the bank accepted the task of introducing and testing the suitability of new exotic varieties of Rice in the country. A 60 acre farm belonging to Manipal Industries Ltd. at Madi was taken on an arrangement for experimentation. The author Sri K. M. Udupa a rice scientist was recruited in the services of the Bank and entrusted with this challenging responsibility. Sri T. A. Pai who had taken over as first chairman of the newly formed Food Corporation was the brain behind this adventure. Dr. N. C. Mehta, an Agriculture expert of international reputation gave necessary technical advise and guidance.

One Kg seed of 15 varieties of Rice were imported from Taiwan, Manila and Japan. It was intended to test these varieties for yield, suitability to the local environment. The best ones were to be multiplied on a large scale in the farmers field. Eyebrows were raised in the scientific world on this venture of direct introduction of a new varieties of crop which has a potential danger of spreading new pests and diseases.

The resolve of Syndicate Bank was so much committed, that all these objections were ignored. As the head of the Bank Sri K. K. Pai visited Madi farm and gave necessary moral support. This historic experimentation at Madi farm received national attention. Dr. T.M.A. Pai, the grand old man and creator of Manipal as chairman of the bank

ve his full support. Sri T. A. Pai whenever he visited the district
variably paid visits to get the first hand information of the trials.

In the first season of 1965, but of the 15 varieties tried, Taichung - 65
and Taichung (Native) - 1. Proved to be well funding in their performance
th produced an yield of over 40 quintals of Paddy per acre. These
varieties here picked up for larger multiplication and also for trials in
the farmers fields. More than 20 result demonstrations have laid in the
farmers fields. A team of Banks Technical Staff headed by Sri Muddanna
Shetty and Sri K. V. Beliraya supervised this risky venture. Sri K. K.
Pai who had tremendous problems in the Bank on account staff agitation
found time to personally supervise this purely Non-Banking activity.

Side by side efforts have afoot by the Bank to bring new technology
to farming operations. Power Tiller, Power sprayer, Pumping sets have
introduced to equip the farmers with better tools. Fertilizer trials, were
aid in farmers fields, soil testing have taken up in a massive scale.
his effort of the by a Bank created tremendous enthusiasm among
the farmers of the district. The entire scientific lobby in the country
watched this unconventional effort by a commercial bank.

During the summer season of 1965, over 250 acres of Taichung-65
and IR-8 were grown in the farmers field. Farmers of Shimoga District
also came forward to try this new high yielding variety of Rice.
Performance of the crop was exceedingly good with an average yield
of over 30 quintals per acre. Sri K. K. Pai visited many fields. Participated
in the field days and encouraged the farmers with the assurance of
financial help. Thus by 1966 April enough seeds were produced to grow
over 50,000 acres in the Kharif crop of 1966. "Superior Seeds Farm"
at Madi became a centre of Pilgrimage for farmers, scientists and
administrators. With the assistance of Ford Foundation a seed
processing unit was obtained. Over 1000 quintals of procured seeds
were processed treated and bagged in 10 Kg packets with specifications.

Then came the Pinnacle of glory for this effort of the Bank. By this
time Sri T. A. Pai had returned to the Bank as Managing Director. Country
was reeling under the shortage of Rice supply. Union Food and
Agriculture Minister Sri C. Subrahmaniam was invited to release the
first Pastul of this seed to the farmers of this country.

25th of April 1966 was a red letter day in the history of the Bank.
A grand function was held in the premises of remote Madi farm to launch
the Taichung-65 variety of Paddy. Sri Subramaniam flew in a helicopter
to inaccessible Madi Farm. Thousands of farmers all over the district
witnessed this great event of heralding of a new era in Paddy production.
A beaming K. K. Pai ably supervised entire operations and made it
memorable event in the presence of Patriarch of Manipal Dr. T.M.A.

Pai who was the chairman of the Bank and Sri T. A. Pai M.D. who was the brain behind this great effort.

Birth of Syndicate Agriculture Foundation :

Encouraged by this success the Bank went ahead with formulating schemes for financing Pumping sets, Power Tillers, Sprayers and crop production. Govt. of India and Reserve Bank were observing these non-Banking activities of the Bank with an element of suspicion. Sri K. K. Pai as chief executive of the Bank had a tough time to answer all queries by inspection team of RBI. Though the financing activities were kept under observations the extension activities of the bank in laying Demonstration Plots, use of machineries were objected to as non-banking activities. To overcome this Bank Management decided to establish separate non-profit making farmers voluntary organisation called "Syndicate Agriculture Foundation". This was formally inaugurated in April 1996 by the honourable minister Sri Subrahmaniam. This was an Indo-Indian Foundation to promote annual growth in the field of Agriculture. Sri T. A. Pai was elected as first president and S. K. K. Pai was the treasurer. Later on when Sri T. A. Pai left the Bank in January 1970, Sri K. K. Pai took over as president and guided the destiny of this newly found organisation. "Krishi Loka" the monthly journal of the foundation was started and Sri K. K. Pai became the editor. Even after 32 years, he continues to be the editor of this most popular journal among the farmers. The foundation organised farmers' groups in the command area of its branches in the name of "Farm Information Exchange Clubs," To create interest among the younger generations future farmers clubs were organised in High Schools. Close liaison was established between the Agriculture university and Research stations to obtain and disseminate new farm technology. The activities of the foundation attracted the attention of the Govt. RBI and other Banks. Head quarters of Syndicate Bank became a centre of pilgrimage for information seekers on Rural Credit. Sri K. K. Pai being the custodian of the Bank took time to participate in all these activities and encouraged Bank Managers, employees and Technical personnel. He invariably attended Managers' conferences, farmers meets, Foundation activities all over the country. The interest shown by Sri K. K. Pai as the chairman of the Bank had the desired effect. Executives at H.O. Regional Offices and Managers and Staff at Branch level took keen and active interest in the Rural Development and credit activities, various national credit institutions like then A.R.D.C. (Agriculture Refinance and Development Corporations), AFC (Agriculture Finance Corporation), Reserve Bank of India, National Institute of Bank Management, IIMS visited Manipal

and had inter-action with Sri Pai on the success of these Rural Financing Schemes. By 1975, Syndicate Bank earned the reputation of being the pioneer in Rural Credit activities. Sri K. K. Pai was invited to many forums to deliver talks on Syndicate Bank's Achievements. As a culmination of this glorious chapter in the annals of Banking history Syndicate Bank was awarded the FICCI Award in 1964 for the outstanding contributions made by any Banking institution for Rural Development.

A beaming Chairman Sri K. K. Pai received this first ever honour at a largely attended function at Vigyan Bhavan Delhi by the then Prime Minister Smt. Indira Gandhi.

Lead Bank Scheme – Rural Branch Expansion

When Sri T. A. Pai left the Bank to take over as Chairman of LIC early in 1970, Syndicate Bank had almost 256 branches and a deposit of over 150 crores. By this time in 1968 Dr. T.M.A. Pai the illustrious founder Chairman also retired. Thus the decade of 1970's was K. K. Pai's era in Syndicate Bank. In the absence both these Giant leaders, everyone felt how the Bank will shape in future. Sri K. K. Pai took the challenge in right earnest, worked for more than 18 hours a day for the Bank. With a team of senior executives like Sri H. N. Pai, H. N. Rao, H. V. Kamath, H. V. Pai, V. S. Parkal, K. M. Shenoy, P. S. V. Mallya, A. Krishna Rao, K. V. Beliraya, Dr. Thingalaya developed the business in such a way that it created a history in the Banking in the country. In early seventies, Lead Bank scheme was launched in the country. This programme came in to existence on the recommendation of Hazari Committee. All districts in the country were allotted to 14 Nationalised Banks. Syndicate Bank was allotted 18 districts. As per the schemes the Lead bank should conduct a detailed socio-economic survey of the district and suggest developmental opportunities with credit requirements to improvement the same. District credit plans were to be prepared for the comprehensive development. District Co-ordination committees (DCCS) were set up under the chairmanship of the District collector with the concerned Bank representative as convenor. In each state, state level Bankers committees were constituted to over see the working of the DCCS. Chairman of the concerned Bank will preside over these SLBCS and ensure the co-ordination between the State Govt. and various banks operating in the districts. Syndicate Bank became the convenor of SLBC in Karnataka. Sri K. K. Pai as chairman of the Bank took keen interest in this new programme. The Economic Research and Planning Department under the leadership of Dr. N. K. Thingalaya (Who later rose to become the chairman of the Bank) was entrusted with the responsibility of preparing district credit plans in all the 18 districts. Sri K. K. Pai presided over the first ever SIBC convened in

Vidhana Soudha and gave a new direction to the programme. The DCPS (District Credit Plans) prepared by Syndicate Bank were so realistic and practical, the RBI and Govt. of India hailed them as models. Sri Pai participated in Lead Bank project refer launching functions in almost all districts. He took keen interest in Agriculture Finance and Rural Development Programmes of the Bank. In any forum at the National level Syndicate Banks schemes and programmes were heard with rare attention.

Sri K. K. Pai was in almost every National committee constituted by Govt. of India to monitor the implementation of these programmes at district and state levels.

Branch Expansion in Rural Areas :

One of the major tasks assigned to nationalised banks under the Lead Bank scheme was to open large number of Rural branches, so that banking services could be made available to the people as the nearest point. Syndicate Bank had the lead responsibility in the following districts in the country.

Karnataka	:	1. Dakshina Kannada, 2. Uttara Kannada, 3. Belgaum, 4. Dharwar, 5. Bijapur, 6. Bellary.
Kerala	:	1. Cannanore.
Andhra Pradesh	:	1. Cuddapha, 2. Kurnool, 3. Nellore, 4. Prakasham, 5. Ananthpur.
Uttar Pradesh	:	1. Gaziabad, 2. Meeruth, 3. Moradabad, 4. Mathura.
Haryana	:	1. Gurgaon.

Sri K. K. Pai took up for implementation of Lead Bank scheme in all seriousness. Visited every district to satisfy himself regarding involvement of lead district managers, managers and staff of branches. District development offices were opened in every lead district to oversee the progress of implementation. These DDMS were asked to directly report to chairman on the progress and achievements.

Opening of new branches in Rural and Semi-Urban centres was one of the massive programmes launched by Sri Pai with all seriousness. Next 3 years between 1972 to 1975, Syndicate Bank created history by opening more than 300 branches in the rural areas to support development process through dispensation of credit to agriculture and allied activities.

Staff Recruitment and Training :

To make the rural lending effective and successful a new category

f committed staff was required. Sri Pai took this responsibility upon himself. In recruitment of officers and clerks Sri Pai had his own philosophy. More than 1000 Agriculture graduates were taken to the Bank service as "Farm Representatives". Farm Representative was to assist the Branch Manager in identifying Bankable Projects in agricultures and allied activities such as dairy, poultry etc. He should also give technical guidance to farmers in new methods of farming. These farm representatives (later on designated as Rural Development Officers) along with Managers were given special training to orient them to the ethos of working with rural people. With the assistance of National Institute of Bank Management (NIBM) a special training programme called "Executive Development Programme for Effective Financing of Agriculture" was designed. More than 30 programmes were held in different parts of the country involving almost 1500 Managers and F.Rs. Sri K. K. Pai took such a keen interest in these trainings, that he inaugurated almost every programme and effectively communicated the commitment of top management in Rural lending programmes. By 1975, Syndicate Bank had an army of Rural Bankers committed to the task of Rural reconstruction. Methodology adopted by Syndicate Bank under the able leadership of Sri K. K. Pai became the National Policy for Rural lending programmes by other banks.

Annual conferences of Branch Managers to decide about the business plan was a forte of Syndicate Bank. 25-30 such conferences were being arranged every year in different places. Sri Pai invariably attended these conferences and gave his clear message. The journey used to be strenuous by road, rail and air. But it was the conviction of Sri Pai to reach the Branch Manager and staff and give them the necessary motivation. Rarely one can find the chairman of a Bank going to the grass roots to convey the message. It had the desired effect. During the decade of 1970-80, Syndicate Bank was considered Pioneer and Pacesetter in financing agriculture and Rural Development.

Sri Pai was personally present in branch opening ceremony of most of the branches. Whether it is opening of London Branch or a branch at Sirel a remote area of Kurnool District in Andhra Pradesh Sri Pai gave the same importance. He firmly believed that if farmers and rural people prosper, the Bank will have more business and Rural Branch can be economically viable. While the Bank spent a lot of money in opening branches, creating infrastructure such as personnel, premises etc., viability was its first consideration. On account of this, the Syndicate Bank showed remarkable growth both in deposit mobilisation and lending. 1977 December, the last year of Sri Pai as Chairman the Bank could show a deposit of over 850 crores and lending of more than

500 crores. Syndicate Bank which ranked 11th among the 14 commercial banks nationalised in 1969 rose to occupy the 6th position. This is mainly an account of involvement of the chairman Sri K. K. Pai in every process of planning implementation and close monitoring of the programmes.

Biogas Financing :

During 1973, I attended a workshop in Madras convened by the Ministry of Agriculture, Govt. of India. The theme was to discuss Bank finance for the promotion of Rural manurial of resources. It was suggested in the workshop that if the banks can finance construction of Gobar Gas Plants in villages it can ensure millions of tons of Nitrogen which is living burnt as fuel in the form of casses. This also can become an important programme to provide cooking fuel for rural households. In early 1940 Gandhiji advocated instruction of Gobar Gas Plants in every household. But this was forgotten.

Taking a clue from what is said in the Seminar, on my return I prepared a scheme for financing Gobar gas plants. After discussion with my colleagues took it to chairman Sri K. K. Pai for his approval. Any chairman of a big bank would not have bothered about this. Sri Pai studied the scheme in detail. Asked me several questions on its technical feasibility and economic viability. He wanted a Gobar Plant to be constructed in house at Kunjibettu. We were astonished that the chairman took such a keen interest in a small scheme. After satisfying its success he finally gave his nod to finance such a scheme by the branches.

In those days, approval of ARDC of RBI was required for financing any new activity in rural credit. When the Bank approached ARDC they did not agree for the scheme as the activity is not generating any incremental income to take care of repayment of instalments with interest. But argument that the savings in cost of fuel otherwise used by the rural household, after the installation of Gobar gas plan can be set after for repayment was not accepted on account of this the scheme could not be launched.

Sri T. A. Pai was the Minister of Industries in Govt. of India. During one of his visits to Manipal Sri K. K. Pai discussed about this scheme innovative and how we are not able to launch it. Sri T. A. Pai had solutions to many problems. True to his style he suggested to Sri K. K. Pai invite the then Union Minister for Finance Sri Y. B. Chavan to inaugurate the scheme during his proposed visit to Manipal in October 1973 to launch the first 'Farmers Service Society' in the country constituted on the recommendation of National Commission on Agriculture and sponsored by Syndicate Bank at Hiriadka, a place 10 Kms away from Manipal.

It was a historic occasion. Finance Minister Sri Y. B. Chavan agreed to inaugurate this scheme suggested by Gandhiji. Khadi and village industries commission (K.V.I.C.) was very happy and gave all technical support to the Bank. In early October 1973 Sri Y. B. Chavan inaugurated the Gobar gas financing scheme of Syndicate Bank at a specially arranged function in Manipal. A beaming chairman Sri K. K. Pai was the happiest man. Later on this became a policy of Govt. of India in the form of 'National Biogas Programme'.

This clearly showed how Sri K. K. Pai involved himself in financing and supporting Rural Development activities. There is no parallel to his conviction, efforts to support rural credit programmes as an important tool in the development of National Economy.

Farmers' Service Societies

On the recommendation of credit group of National Commission on Agriculture, headed by Sri T. A. Pai, the Govt. of India and RBI decided to establish a new type of Rural Credit Organisation called 'Farmers Service Societies' at the village level. Sri K. K. Pai with the assistance of Agriculture Finance Dept. of the Bank richly contributed to revolution of these new institutions. The main objective to provide credit, inputs, technical support and marketing arrangements for member farmers. This was an integrated approach to make the farmers concentrate in production activities, without running about to procure his input requirements. Under the guidance of Sri Pai the final meeting of the sub group was held in Manipal.

The first ever Farmers' Service Society was organised in Hiriadka, with the co-operation of the State Govt. This was to serve 12 villages, the concept of providing integrated credit services at the doorsteps of farmers was put in to action with great care and planning. Sri Y. B. Chavan then Union Finance Minister came all the way from Delhi to a remote village like Hiriadka to launch this society specially organised to help small and marginal farmers. Dr. T.M.A. Pai, Sri T. A. Pai and a galaxy of other leaders of the state and the District were present during this memorable function organised in the premises of Veerabhadra Temple the presiding deity of the village.

In his welcome speech Sri K. K. Pai gave an overview of Bank's effort in developing Rural India and pledged himself to work for the success of this institution.

From then onwards, during next 3 years Syndicate Bank established 17 Farmers' Service Societies in different parts of the country including those in Delhi. Sri K. K. Pai as chairman participated in the inauguration of all these societies and supported the agriculture finance department

to administer them to fulfill the objectives. Even after 25 years these societies remained as models institutions for purveying rural credit in an effective and meaningful way.

Regional Rural Banks :

Sri K. K. Pai played a key role in promoting Regional Rural Banks. In 1976 Narasimham committee recommended the creation of a new type of Banks to provide rural credit, in addition to the rural branches of commercial banks and co-operative societies at the grass root level. Sri K. K. Pai was co-opted as a member of the steering group set up for this purpose at the national level. With vast experience in rural lending, he made rich contributions to the establishment of Regional Rural Banks. When other Banks in the country were apprehensive of the utility of these institutions Sri K. K. Pai felt that these Banks can play a supplementary role in providing rural credit in an increased measure.

Pratham Bank :

As a recognition to the contribution made by Sri K. K. Pai, Govt. of India and RBI asked the Syndicate Bank to organise and establish the first ever Grameena Bank in the country at Moradabad District of U.P. The decision was taken on 15th September 1976. Such was the administrative skill of Sri K. K. Pai, that the inauguration of the Bank was to take place on 2nd October 1976 on the birth day of Mahatma Gandhi father of the nation.

The Govt. of India and the Finance Minister were thrilled by this lightning speed with which Syndicate Bank acted. Hon'ble Sri C. Subrahmaniam, Finance Minister, Sri N. D. Tiwari, Chief Minister of U.P., Governor of Reserve Bank, Senior officials of Govt. of India and Govt. of U.P. participated in the programme. I think this was one of the great moments in the life of Sri K. K. Pai who later on was responsible for launching 5 more Grameena Banks and guide them to establish as a new type of Rural credit institutions. After 2 decades even to-day Syndicate Bank sponsored RRBS are the most viable ones and are considered as Models. This is one of the greatest contribution of Sri K. K. Pai in Rural Banking. Till he laid down office in early 78, Sri Pai was a member of the expert group of RRBS and practically he directed the policies of the Govt. of India. He attended the inauguration of RRBS sponsored during his tenure. This showed the depth of interest he had in this area. Thus Sri Pai created several chairmen of Rural Banks among officers of Syndicate Bank. In the next 10 years 196 RRBS were established covering all the Districts of the country. A great recognition to the foresight and dynamism of Sri K. K. Pai in Rural Banking.

Support to Milk Production – Canara Milk Producers' Union :

It was a vision of Sri T. A. Pai to reproduce an 'Anand' in Manipal and Dakshina Kannada a Milk Co-operative Union on the lines of AMUL as organised in Manipal. Dr. Kurian guided this plan and his spearheads turns to organise the primary co-operation at village level. Sri K. K. Pai as chairman of the Bank took keen interest in this activity. In 1978 more than 60 societies were organised and farmers were encouraged for purchase of cross level high yielding cows. Sri K. K. Pai himself inaugurated more than 30 societies.

In 1978 Sri T. A. Pai became the chairman of CAMUL (Canara Milk Producers Union) and sowed the seeds of white revolution in the district. In 1981 after the untimely and sad demise of Sri T. A. Pai the union was almost becoming an orphan. The Board of Directors persuaded Sri K. K. Pai to be the Chairman. A reluctant K. K. Pai, who retired from Syndicate Bank in 1978 itself, took over this institution. Compared to great tasks he accomplished at the national level as chairman of one of the leading banks the field was too small for a man of his stature. But once he accepted the responsibility, he worked with great deal of conviction and made the Canara Milk Producers union as a really dynamic Rural development organisation. In the next five years this became a valued and viable union, helping thousands of Milk producers and popularising crossbreed, high yielding cows among the farmers. The Govt. of Karnataka honoured him by nominating him as the President District Union and a Director of State Milk Producers' Federation.

A friend of the farmer and the poor :

Syndicate Bank has grown from a Pigmy to Giant providing a range of Banking Services to business industry and commerce. His responsibilities were many in general banking field. Deposit mobilisation, advances recoveries, international banking services, Management of personnel, thus it would occupy the entire time of a Bank Chairman. Being in the nationalised sector he had the responsibility of reaching the performance targets in various sectors. In spite of all these Sri Pai showed genuine interest in the field of Rural Banking. He took up farming as a hobby. Whenever time permitted he would visit Perampalli and Perdoor where he had some farm lands. In early 1966 Sri T. A. Pai, K. K. Pai along with few Andhra friends bought 300 acres of land in the newly irrigated area of Thungabhadra canal in a place called Jawalgere efforts have afoot to take up hybrid maize and Jowar cultivation. In spite of his busy engagements Sri Pai

used to find time to visit Jawalgere and supervise the operations of this farm.

Even in extension activities to educate the farmers Sri Pai had his own convictions. Syndicate Agriculture Foundation started organising farm information exchange clubs and future farmers clubs in High Schools and Junior Colleges, Sri Pai himself was present to inaugurate such clubs. When Syndicate Agriculture Foundation organised field visits progressive farmers fields, besides providing the Bank Bus, Sri Pai himself used accompany them, so as acquaint himself with progress made in modern methods of Agriculture.

He was always sympathetic to the problems of farmers. Doors of chairman Sri K. K. Pai were always open to hear their problems. May it be for a loan or an appointment to his son or daughter. If anybody makes a survey, one can find that large number of employees have been recruited from the rural areas. Many employees who subsequently rose to occupy top position in the bank, have come from farmers' families.

Support to Self Employment :

In the year 1969, when Syndicate Banks advertised for 300 clerical posts in an all India recruitment effort more than 1.5 lakhs applications were received from aspirants. Sri T. A. Pai was the Chairman. He along with Sri K. K. Pai called the meeting of all executives in Head Office and placed before them the Magnitude of un-employment problem. "We can select only 300 and it will cause disappointment to 1,49,700 people" said Mr. Pai. Some thing has to be done to motivate young men and women to tekeup self employment. As a result of this compassionate feeling, 'Self Employ Clinics' were started in Branches. These clinics would interview the aspirants for jobs and persuade and motivate them to takeup self employment in any vocation. Sri K. K. Pai continued this efforts in the later years, deputed senior executives to the branches to take credit decisions to selected persons. Between 1970 and 1977 thousands of people got assistance in both rural and urban areas to establish self employment ventures. Most of them today have become flourishing enterpreneurs.

With Indian Jaycees, he took up country wide self-employment campaign, Which brought him an award from Jaycee International.

An experiment was made to give a 15 days orientation programme to young men and women who have applied for jobs in the banks. Then trainings were conducted by the staff of Agriculture Finance Department of H.O. at Barkur. Sri Pai inagurated both the programmes and assured the participants financial assistance if they venture start their own enterprises. In two such training more than 100 people were trained.

more than 70 of them started their own self-employment ventures. Today most of them are successful businessmen. As the chairman Sri Pai took keen interest to monitor settlement of these candidates. This gave birth to a new type of organised motivational training for unemployed youth in name of Rural Development and Self Employment Training Institutes (RUDESETI). Thus Sri Pai was instrumental in promoting self employment among the rural youth.

Task Master :

Sri K. K. Pai was known for his effectiveness in administration. Every employee in the bank was aware of the chairman's firmness in dealing with situations. He kept his doors open to both employees and public. Even an anonymous post card would result in an action to correct mistakes. To achieve this Sri Pai worked over time, even up to midnight. Travelled during night by car to attend official engagements. This seriousness in work of chairman was reflected down the line. Syndicate Bank became a pioneer and pace setter in many areas of banking. His greatest contribution was to transfer this work-culture down the line. He was greatly humane. Responded magnificiently when the employees faced any personal problems. As a result of this, though every one feared Sri Pai's wrath for non performance, cultivated great respect for his human qualities.

Galaxy of Awards :

Commitment of the Bank in rural lending was so effective between 1974 and 1977 the Bank won several National Awards for outstanding contribution made by the Bank in rural development.

1974 : FICCI Award

1975 : ASSOCHEM Award

1976 : IMC Award

1976 : NAYE Award

1977 : FICCI Award for best industrial relations.

Besides this Sri K. K. Pai was the most sought after chairman to address several seminars, workshops at National level on Rural Banking. What more is required for man who worked with convictions to translate the National policies, to Social Banking Programmes. Even to-day he is one of most respected retired chairman of Banks.

Thus the life and achievements of Sri K. K. Pai was synonymous with progress and achievements of Syndicate Bank. He developed men around him as committed Rural Bankers. Like his illustrious predecessor Dr. T. M. A. Pai and Sri T. A. Pai, Sri K. K. Pai carved for himself a

Place of Pride among the banking fraternity. Long live this great soul Sri Kalsanka Kamalaksha Pai.

Conclusion :

In 1981 NABARD made a study of Syndicate Bank's unprecedented success in rural lending including recovery of farm loan (which was more than 85% till 1980). Besides other factors they made observations. The interest and involvement of Top Management of the Bank is responsible for this outstanding achievement. By this time K. K. Pai has retired. What a great tribute to an illustrious chairman. To-day after nearly 2 decades of his retirement when Rural lending is looked as Nonviable, the Bankers should study the Management of Sri K. K. Pai and draw lessons.

K. K. Pai as a Banker

H. N. Rao*

To Sri K. K. Pai, as he looks back on his life and achievements during the last six decades, it must be a matter of great satisfaction that he has been able to achieve so much in his life as a banker, as an educationist, as a social worker and leader of the community and above all as a human being seeking every opportunity to render assistance and provide guidance to the common man. Syndicate Bank claimed almost forty years of his life after he finished his education in 1943. When one thinks of his career as a banker, one is apt to write the story of the growth of the Syndicate Bank from a small institution of Nineteen forties to a mighty bank of the 'Small Man' with hundreds of branches thousands of crores of deposits and loans, lakhs of customers and thousands of employees, all dedicated to the service of the country and economic advancement of not only the large and medium industries and business houses but also agriculture and the weaker sections of the community.

When Sri K. K. Pai joined the Syndicate Bank after a brilliant academic career, it was indeed a tiny bank with deposits of less than a crore. He was lucky to receive his training under the master builder of institutions Dr. T.M.A. Pai and a colleague like Sri T. A. Pai from the day he joined the Head Office of the bank at Mukund Nivas as Deputy Manager to the day he laid down his office as Chairman and Managing Director after 38 years of service, his life has been a saga of hard work, planning, innovation, dedication and relentless efforts to building of the institution to greater and greater heights, year after year. He put into execution with utmost perfection all the innovations of Dr. Pai and

* H. N. Rao Ex-Chairman of Syndicate Bank who worked with K. K. Pai closely for over three decades. He was the second man during the regime of K. K. Pai.

Sri T. A. Pai are made a success of every scheme – be it the Pigmy Deposit, the opening of a good network of branches all over the country including rural areas, taking over about twenty smaller banking institutions, an advances to agriculture, artisans and weaker sections. It was this pioneering spirit, faith in the goals of the institution and the ability to accomplish the tasks entrusted to him that enabled him to accomplish all that was envisaged.

It was my privilege to have been in the Syndicate Bank as his colleague. One of his great characteristics was his unlimited energy, capacity for sustained hard work and utmost dedication to whatever he took up. The bank, at that time, was highly centralised for purposes of effective control and almost every matter had to go to the top for decision making. As the bank grew fast from year to year with a growth rate of often of over 30%, papers coming up to Mr. Pai for decision making, whether administrative matters or proposals for advances were numerous. Many were the customers coming for discussions and representations. Mr. Pai even as chief executive had time for everybody who came to see him and very often had to sit until the early hours of the morning and every holiday to dispose off the papers so that there was no delay. Nobody could but admire his patience in attending to every matter, small or big. Even after a long and strenuous tour, he would come back fresh, ready to participate, in strenuous conferences and attend to all his other duties at the office with a pleasant smile. I have never seen him all these years of being too fatigued. It is this sustained enthusiasm to give his very best to the institution and the courage to face adversities that enabled him to face the challenges of a fast growing institution and endeared him to his colleagues and the vast clientele of the bank. As the head of the institution for almost two decades the way he toiled for its progress provided the inspiration for others to emulate him and enabled the bank to earn the reputation of Banking at its best.

A special mention has to be made of his staff relations and how he was able to carry the thousands of employees as a team to fulfil the goals and aspirations of the institution. In the recruitment of staff his policy was to place character and uprightness as the most important quality required. Hundreds from the economically weaker sections were taken up by the bank and have risen to high positions, thanks to his ability to pick up the most deserving and the best. His outlook was always cosmopolitan. Special training was given to staff to develop their personalities and most of them fit for challenging positions. He was a great builder of men. By making them perform better and better through training them, counselling and advising them and by inspiring them

made every person a valuable asset to the bank. He knew each member of the staff personally and any one could meet him easily for having his problems redressed. It is this spirit in every staff member who was part of one family and could always get justice that enabled the bank to get the best from the staff and work with a social goal and purpose. It was said that if all banks worked like the Syndicate Bank, central control over banks would not have been necessary.

A word about agricultural finance. It was here that Mr. Pai showed allround skills and knowledge. His ability to mix with farmers and provide leadership and win their confidence enabled the bank to go ahead in its programmes and avoid serious pitfalls. He was also a practical agriculturist himself and as such could understand its problems and help to solve them. As the President of the Syndicate Agricultural Foundation for a number of years, many were the innovative schemes that were thought of and implemented successfully by him, particularly in the field of training of the farmer in modern scientific cultivation by using better equipment, hybrid seeds and the required chemical manure for soil testing. Poultry farming, Gobar Gas, Bee-keeping and Sericulture were other areas where Syndicate Bank did innovative work while developing.

Even after retirement from the bank his contribution to the economic improvement of the country has been of no mean order. As chairman of several commercial institutions at Manipal, as President of T. A. Pai Management Institute and President of several educational institutions, he continues to provide the leadership expertise and the right philosophy to several institutions. However I have no doubt that his first and true love has been banking and what he has been able to achieve in this field should in retrospect give him great satisfaction of work well done and best results achieved. All our appreciation and admiration to K. K. Pai for the glorious achievements of the Syndicate Bank during two decades of his leadership of the bank. Sri Pai is truly one of the greatest bankers of our times. ●

A Genial Friend

M. V. Kamath*

My association with K. K. Pai goes back to 1933 or over sixty years ago. It began in the Board High School where we became fellow-students by accident. I was studying at the Christian High School from 1928 onwards when K. K. Pai – I will call him by his first name, Kamalaksh – was doing his lower secondary in his own neighbourhood. As a result of some misunderstanding between the Christian High School and leaders of the community I was taken out of the school and sent to the Board High School and that is where I first met Kamalaksh. I was admitted to Third Form.

My classmates then included Kochikar Mohandas Pai (who is now a doctor) and Pangal Rabindra Nayak (who is in the transport business though, if I remember right, he took his Masters in Physics). We passed out from the Board High School in the same year – 1937.

Because Mohan and I lived in the same locality, we played cricket, football and badminton together. Kamalaksh lived in Kalsank which in those days, seemed so far away from where we lived. Our contacts in the circumstances, were mostly in the classroom. We were not playmates.

Kamalaksh, if I remember a right, was a very quiet boy and never got into trouble with others. He was good at Arithmetic which, no doubt was helpful to him in his later years. There was then no college in Udupi and for our Intermediate we had to go to Mangalore. Kamalaksh joined St. Aloysius College and I joined Government College. For a while we stayed in the same hostel – Canara Hostel where most Gowda Saraswat Brahmin students from the outlying taluks usually stayed. But

* M. V. Kamath Noted journalist of international repute who was a classmate of K. K. Pai.

† Pai. Has published a number of books. Ex-editor of Illustrated Weekly of India.

ere again my stay was only of a short duration of about six months. Quite early I left the Hostel to stay with a sister. But my contacts with Kamalaksh continued.

We passed our Intermediate Examination the same year – 1939. Neither of us wanted to do our B.A. which was then the only degree that St. Aloysius College was equipped to give. In the circumstances we both left independently for Bombay, I to stay with an older brother, Kamalaksh to stay with a relative. He joined Sydenham College to do his B.Com. and I joined St. Xavier's College to do my B.Sc., unable to raise enough cash to get into Medicine.

By a happy coincidence at one stage during our common stay in Bombay we happened to live in buildings close to each other and from his balcony he could shout at me for anything. We were within hailing distance of each other. But strangely enough though we were on extremely good terms we didn't have time to socialise, both because of the nature of our studies and of the hours we kept. Also we both lived in very small apartments that did not permit inviting friends for a session of gossip.

It was just about the time that we both passed our examinations – this brings us to 1941 – that he must have had an offer to marry the daughter of Mr. T. Upendra Pai. He told me about the offer and of course, I suggested that he should accept it, which he did. That took him back to Udupi and to the portals of the Syndicate Bank where he was steadily to rise to become, in due course, its Chairman.

Inevitably, our paths differed. He became a banker; I first served as a chemist in various companies for a period of about five years before I turned into a journalist. That was in 1946. We seldom met, which was par for the course. His life centred round his career; my life centred on my job. There would be brief occasions when we would meet and talk of old days but that was all.

As Kamalaksh rose in his profession, in a lesser way I rose in mine. In 1955 I was sent by the 'Press Trust of India' to New York to serve as its correspondent at the United Nations. I returned at the end of three years later to join 'The Times of India' and be sent out to Europe (Bonn & Paris) to be its European correspondent. I was back in Bombay in 1967 to serve as the paper's Sunday editor for two years before being again sent out, this time to Washington, for a period of nine years. During all those years Kamalaksh and I seldom met. In those years he became a father, a mayor and a senior banker, highly respected by his fellow professionals. We remained friends.

It was only after I returned to Bombay in 1978 to become editor of 'The Illustrated Weekly of India' that we picked up our old friendship

and occasionally met. I retired in 1981 and not long afterwards our paths crossed again as I was co-opted as a trustee of the Dr. Pai Foundation. By then, of course, Kamalaksh, too had retired.

What amazes me is that in all these sixty odd years we never had any occasion either to disagree with each other on issues of importance or to quarrel, even when we were young. We had a healthy respect for each other that never wore out. There were many issues on which we were agreed; sometimes he would tell me about his experiences abroad and always when we met he was his genial self, friendly, considerate and warm.

In our old age we meet more often now and sit in the same committees. Kamalaksh is an efficient committee chairman; he never wastes time, comes quickly to the point and has no time for frivolity. I suppose that is how he functioned as chairman of one of the country's leading banks. I like a man with a business-like approach to life. During such spare moments we may have had over the last ten years or more, we have occasionally had a drink together. Over the years Kamalaksh has turned out to be an excellent public speaker which is quite a transformation considering that as a school boy he was shy and reserved. We inquire about each other's health; he is senior to me by three months and I tell him that as my senior I have to defer to him as befits his seniority and we sometimes tease each other gently.

On his 78th birthday I send him my affectionate greetings and wish him a long, useful and healthy life. May God grant him strength to continue in his service in the fields of banking and education for many, many, many more years. ●

Sri K. K. Pai – Service is his way of life

D. T. Pai*

From the very beginning of my banking career, I was fascinated by the personality of Sri K. K. Pai. It was not because of his occupying one of the topmost positions in Syndicate Bank when I joined, but because of his sterling qualities of honesty, integrity, simplicity and hard work besides his unique administrative skill in spotting out in the crowd the right man to give the right job. Surprisingly, he had never gone wrong in his selection of people and this skill had made him a successful administrator in the banking world.

A Unique Position :

Even after almost two decades of his relinquishing the office of the Chairman of the Bank, Sri K. K. Pai is in the service of the public at large. Anyone can approach him even now for his help in securing admission to schools and colleges, getting recommendation for matrimonial alliances for eligible boys and girls, getting employment and also financial assistance. He has remained unbeaten in social service and his words carry weight even to this day and the service that he is rendering is without any expectation, even the usual 'Thank You!' As in the past, he is accessible anytime to anybody and because of his ever helping nature, the flow of visitors to him has never stopped.

Able Administrator :

Sri Pai, while in service especially as the CMD was a very able administrator and his ability to handle tough situations was well-known.

* D. T. Pai is presently Executive Director of Union Bank of India. Had worked in many capacities in Syndicate Bank and had close association with K. K. Pai for a long period.

The Bank had the finest Industrial Relations during his tenure and it bagged a National Award for this unique achievement which itself is a proof of his skills in handling the labour leaders and the unions. The growth and the progress was all-round and the Bank was at the peak of its glory during his stewardship. Above all, he saw to it that the Bank had a satisfied clientele. He knew many of the clients personally and was willing to help them to any extent as he believed that the Bank has been a recipient of their patronage and help. Because of this approach, in a good number of deserving cases he was not waiting for office-notes or recommendations from down the line and was sanctioning himself the credit facilities based on the requests and interestingly enough, there was no bad experience at all in such cases. Being honest to the core and a man of integrity of the highest order, nobody did dare to raise even the little finger towards him in such exceptional cases.

He took both the decision and the blame upon himself rather than finding fault with the subordinates. Really a rare quality as in most of the cases, people take credit for themselves when there are achievements and blame others when there are failures.

Another interesting facet of his great personality was his skill in communication. His voice was soft like the fall of jasmine without emotional overtones. Even during crisis, he would be calm, composed and unruffled.

New Challenges :

The major commercial banks were just nationalised then and it was a period of transition from private sector to public during his regime as the CMD. The gentleman who had worked in the private sector had to adapt himself to the new situation retaining the past culture and glory. But Sri Pai, the CMD did it in a very smooth manner. Though busy throughout to keep pace with the new expectations and the new challenges of growth and expansion, he was still accessible to everyone as in the past and was totally dedicated and devoted to the Bank all the 24 hours of the day. He grew in many dimensions and so also his Syndicate Bank. This south-based Bank, under the Lead Bank Scheme had to spread wings across the Northern India. Braving all the odds, rapid expansion took place in the north under the Zonal Chief Sri P. S. V. Mallya, a trusted lieutenant of Sri K. K. Pai and the Bank became very popular in the capital city of Delhi in addition to the Lead Districts which contributes sizably to the Bank's business today.

My Association :

I joined Syndicate Bank in April 1969 in Delhi. I had the fair fortune

working on Lead Bank Programmes under the guidance of Sri P. V. Mallya. I worked hard on rapid branch expansion and also for establishment of the first ever Regional Rural Bank – The Prathama Bank. Although I was in a far off place in the Northern India, personally out of sight of the Top Management, from a distance Sri Pai recognised my hard work. Yes, to my great surprise and happiness, on 11th January 1975 which happened to be my birth day, I received a birth day gift from him. He had promoted me directly to Scale IV, a double promotion from Scale II to Scale IV, the greatest honour conferred by the Bank. That was how he was recognising and rewarding which none in the public sector could do – never before and never after.

May he see one hundred springs and act as a source of inspiration to the younger generation, is my sincere prayer on this occasion. ●

An Interview with Sri K. K. Pai on Banking Issues

(Interview by: Dr. K. K. Ammannaya)*

Q: *You were the 'Second Chairman' I mean Chief Executive Syndicate Bank in post-nationalisation era. Sri T. A. Pai was the only for a brief period after nationalisation. How could you adjust to the new situation so fast and how could you strike a mean between profitability and social objectives? Is it possible to achieve profitability and social objectives simultaneously? What is your experience in this regard during the 8 long years of your stewardship in Syndicate Bank?*

A: I was the First Chairman of Nationalised Syndicate Bank. Sri T. Pai was the first custodian. I was the second custodian. The question of adjustment referred to by you did not arise at all. Syndicate Bank was a small men's Bank from its inception and we were financing the priority sector including agriculture from the very beginning. The first Memorandum of Association of the Bank itself was very clear in this regard. The Memorandum contained the objective of financing cottage industries trade and agriculture and small business. It mentioned this to show the remarkable resemblance between the policy enunciated by the Government for the nationalised banks in 1947 and objectives of Syndicate Bank at the time of its establishment in 1925. What was separately known as priority sector at the time of nationalisation was the sector of major thrust for this Bank through its history. It did not require a national compulsion to share its attitude for this was part of its culture defined by the humanitarian objectives enshrined in the first Memorandum. We had the experience in achieving profitability and social objectives.

simultaneously from the beginning itself. Therefore, there was no necessity for any major adjustment after nationalisation. Nationalisation for us meant only the continuation of the same policies, with extra emphasis on social content of the policies.

Q: *What is your view regarding Banking Reforms? Do you feel that any of the vital areas/issues have been left out of Reforms?*

A: In my view, not much of reform has taken place so far in the Banking Sector. I feel that the reform should cover human resources, since human resources form the basis for the success of Banking, regardless of the technological upgradation which is taking place. Computers cannot completely replace people. Therefore, the reform should cover the personnel administration and HRD. The BSRB has outlived its utility. There is no case for continuation of BSRB.

There has been the cooling off of the initial enthusiasm and zest to pursue the social objectives set out in the nationalisation policy. The employees have never shown any great commitment to social objectives in action, in recent years as was expected and as was demanded. Narasimham Committee recommendations have not been fully implemented BSRB has not been abolished as yet Recruitment should be the function and responsibility of individual bank managements and not of the BSRB, which has no human personality and sympathetic make up to advance the social objectives. It has no heart and no loyalty to itself. Recruitment must be the function of individual bank managements.

Recruitment cannot be an objective impersonal exercise. It must be subjective to build strong bonds between the two loyalty to the organisation and faithfulness and obedience to the management personnel. The employees must choose their bank and management must select best among them, having regard to social equity and justice and regional objectives. It should not be mere academic qualifications alone or social objectives alone—it should be a mix of the two. Employees once they join should be fully trained and institutional loyalty should be developed in them. Trainers should be knowledgeable. Inspecting officers and vigilance officers and IRD officers should be men of good moral character, honesty and integrity.

Performers and individuals with full loyalty to the institution should be encouraged, motivated and rewarded. The Personnel Departments, Industrial Relations Departments and Vigilance Departments should be reformed so as to ensure that they perform their jobs objectively and with a sense of justice and fair play and apply the norms and rules uniformly to all employees.

Q: *What can be the reason for the poor morale and poor involvement of staff in Bank functions in Public Sector inspite of good compensation package ?*

A: In the pre-nationalisation days, staff were being recruited locally and with lesser educational background. At that time, what was important was entering into a job with less salary or even without salary for sometime. Social objective was kept in view in the matter of recruitment. Since people were from rural areas, they had the full feel of the locality, they had the personal knowledge of customers. Apart from that, they were loyal to the institution. Inspite of lesser salary, they were highly motivated because they were thoroughly involved in all Bank functions, including customer services, canvassing of business and development. Today, because of the recruitment through BSRB, people with requisite background other than educational, are not finding entry into the Banking system. Moreover, there is no uniformity in the matter of administration of personnel functions. Personnel Departments are thoroughly impersonal. If one Zone/Circle gives punishment of dismissal for a certain misconduct, another zone may give the punishment of warning and close the matter. Different levels handle the functions differently at different times without any objective approach. As already mentioned by me Personnel Departments have become too impersonal and are devoid of human sympathy, understanding and feelings. Strengths of people are not used. Good workers and people who never work are treated on par. There is no recognition of good work and good performance. All these have affected morale of staff. Handling of personnel has to be done with care since we are handling a very sensitive resource. Alongside, steps taken for motivation and empowerment of staff. Banks should adopt reformative approach to industrial relations and disciplinary action. Chairman is the leader. Bank's image is what he can create. Team spirit and unity of purpose in all activities and functions of the Bank can be promoted by him. Leadership cannot be delegated. Chairman is the symbol for the organisation. Therefore, the personnel functions should be handled centrally from the Head Office and the Chairman himself should look after the personnel functions. This will ensure uniform handling of the various personnel functions such as promotions, transfers and disciplinary matters. If these matters are handled objectively and without any bias and prejudices than, the staff can be motivated and they can be involved. The human factor in banking cannot be overlooked. Personnel Departments have to reorient their approach and adopt a pro-active human resource management system in the

place of existing reactive system.

Do you feel that Rural Development Activities and Priority Sector Objectives are the reasons for the declining performance of Banks in the area of Profitability ?

No, Syndicate Bank was placing lot of emphasis on rural development activities and implementation of priority sector objectives from the very beginning. Our experience had shown that implementation of priority sector objectives, rural development activities and the profitability of the Bank could go hand-in-hand.

After Dr. T. M. A. Pai and Sri T. A. Pai, according to public opinion, none else could reach your height in Syndicate Bank. You are not from the family of 'Tonse Pais'. How could you acquire the capacity for reaching such height inspite of your being from outside the 'founder family' ?

Capacity is not a family property. It was only through hardwork and perseverance that I could go up. Dr. Pai gave me lot of training and provided exposure. I too took my own initiative and availed myself of all the opportunities available and made available to me in the Bank and this alone enabled me to come up in the organisation. Remember I was under a great Banyan Tree. They say nothing grows under it. It is not a proved theory.

Your policy was to give more employment opportunities in the Bank to the local youth particularly from rural areas with SSLC qualification. Most of the recruitment was from within the State. Did it not promote regionalism ?

No, the policy was no doubt to recruit people locally. Initially, the expansion was mostly in Dakshina Kannada and neighbouring Districts in Karnataka and therefore, recruitment was mostly from Karnataka. Gradually, with the opening of Branches in other States including Northern States, recruitment from those States also took place. The policy was to recruit people locally with a view to ensuring involvement of local people and to use the local feel and local knowledge of the staff in developmental efforts. Local people with enterprise and mobility who valued a job for achieving personal ambitions through a known organisation were also recruited. Local does not mean Dakshina Kannada alone. All places where we had branches were local for us and though recruitment was local, the staff were made to feel national in their outlook and approach. Since initial expansion was in the area of origin of the Bank viz., Dakshina Kannada District, senior people were from Dakshina Kannada District. This was because of historical reasons. This is because

staff recruited will continue for three or four decades. With expansion in the North, lot of people from Northern States also entered Bank service.

Q: *You used to work for 17.00– 18.00 hrs. per day. After tours, you used to sit even till late in the night in your Office. Even now you are heading so many Institutions. Still, you are finding time for a activity. How could you derive so much of energy and how you are able to manage time ?*

A: We should not be slaves of time; we must be masters. I was sitting late with a view to compensating for the time lost in Bank's public relations, activities, functions, visits, etc. and also for reducing delay in disposal of papers, including loan proposals. Any delay or sanctions would affect customer service. Energy came from determination to finish the work.

Q: *The traditional canons of Banking were 'liquidity' 'profitability' and 'safety'. With nationalisation, an additional canon, viz 'social purpose' was also added. Today with liberalisation, globalisation and economic reforms, we are once again moving to the traditional concepts. What according to you should be the ideal canons of Banking in the present day contest ?*

A: As already mentioned by me, Syndicate Bank kept in view the social content and social objectives of Banking from the very beginning i.e. from 1925 itself and therefore, profitability alone was not the goal of Bank. Syndicate Bank was a social institution apart from being a commercial organisation. Being a part of community, Banking institution should fulfil the canon of social purpose as well in the process of its operations. In spite of the stress on community-Banking and implementation of social objectives and fulfilment of expectations of society, we never lagged behind in the area of profitability. Year after year, we increased our profits.

Q: *In the Financial Services Industry today, we have too many players. We have got Public Sector Banks, Private Sector Banks, New Generation Banks, RRBs, Co-operative Banks. We also have innumerable NBFCs. What is your view regarding the existence of so many players competing for the same business and from the same target group ? In such a scenario, do you feel that there is an adequate role for so many agencies, particularly, the NBFCs which are also competing for business from the same group of clients ? Is it not advisable to reduce the number of players by means of mergers, thereby strengthening them to play their role more effectively. Instead of so many NBFCs, will it not be better to have*

limited number of stronger NBFCs by merging many of them with stronger ones. This will ensure stronger players in the market. What is your view?

In my view, Public Sector Banks, Private Sector Banks, New Generation Private Banks, RRBs, Co-operative Banks and NBFCs, will have their role to play. There should not be any adhoc decision to annihilate any of these institutions. Within the framework of control and regulation, they must be allowed to play their role. Survival of the fittest should be the principle in such matters and there is no need to think of adhoc decisions such as mergers, narrow Banks, etc. This is being advocated by some people.

Effective vigilance and effective monitoring by the RBI are very vital. Timely action to help out or prevent decline in the level of performance of Banks is also important. RBI should have a helpful attitude and it should give uniform treatment to all Banks. Favoured treatment to SBI is not conducive for the development of all banks. All Banks should be treated, on par.

The most striking feature of your personality is your compassion and consideration for the poor and the weak. Whatever role you played including your role as 'Chairman' of Syndicate Bank, you kept the interests of poorer sections of Society irrespective of caste, creed or community or religion upper most in your mind. You have provided thousands of jobs to the young boys and girls from poorer and weaker sections of Society. What prompted you to adopt such principle in your life?

As the Member of Udupi Municipality and the President of Udupi Municipality, I got lot of opportunity to be with the people. My tenure in the Municipality provided me lot of insight into the problems and difficulties of people. This prompted me to keep the social objectives upper most in my mind.

Even during my student days, I was active in the struggle for freedom, I was a member of 'All India Forward Block First Reception Committee'. I was a member of DCC of the Congress Party. all these opportunities enabled me to get insight into the problems of people.

Your memory is always 'Photographic'. As a Chairman of the Bank you used to tell the names of all the employees as well as the names of their family members. Even at present, inspite of your advanced age, you are able to have such a good memory. How you could train your memory so well? How you have been able to do this even now when you are 78?

'Memory' is something which has to be developed through practice.

Repeated handling of same issues, repeated interaction itself enabled us to develop memory. Memory can be trained and once it is trained well, it can be retained in spite of the advancing age. Trained memory never fails.

Q: *During your Bank days, you used to allow Managers' letters addressed to you directly. You used to pass orders on the basis of Managers' letters directly without recommendations from below. Don't you think that such direct access to the Chief Executives would dilute the authority and role of functionaries below the Chief Executives?*

A: The idea was to have independent channels and independent sources of information. This provided me inputs for control. Information flowing through such letters was a useful resource and many a time, the same even provided data-base for decision making. This also brought to light delays occurring at various levels and could reduce the delays and ensure satisfactory services to customers because of such direct communications from operations. Hence, I could get full grip over the operations and first hand information about all happenings and developments in all corners of the bank.

Managers' letters also served to apprise me of the ground realities and real situation at branches. It helped in keeping vigilance and no manager or executive could delay matters and decisions. Using the information contained in such letters I could call for pending papers/files and take decisions then and there. Managers who wanted me to address letters to VIPs and prospective customers had to give the names and addresses of such parties in monthly letters. I used to dictate and send letters to such parties soliciting deposits/business. This was a great support of mine to branches in business development.

Q: *After every tour of yours, you used to dispose hundreds of Files/Office Notes on the same day, sometimes, sitting at night, mid-night or even upto 5 a.m. the next day. You used to give remarks on each para and not merely 'Yes' at the end of the Note, as most of the Chief Executives in Public Sector do. How could you acquire such rapid reading and absorbing skills?*

A: To ensure that customer services do not suffer on account of keeping the Files and Proposals pending, I used to sit late sometimes even the entire night for completing the disposal of Files. There was such extra strength acquired for this. It was only sheer determination to finish the work and keep things up-to-date that prompted me to work after Office Hours.

You had the knack of recognising performance of staff and you had the full knowledge of performers at every corner of the Institution. But, today in Public Sector, lions and assess are treated on par and there is hardly any recognition for performers. Most of the times, the silent performers stay where they are while people who are able to white-wash and project themselves, without contributing anything, go higher and higher and become 'bosses' of the silent performers. With such a scenario, is it possible to induce motivation? What should be the strategy for inducing motivation and bringing about participation?

As already mentioned by me, the Banking Services Recruitment Board (BSRB) should be abolished. The BSRB has not been able to fulfil social obligations like giving rural candidates a special weightage in selection, giving choice of the Bank to candidates, etc. Abolition of BSRB and giving freedom to Banks in the matter of recruitment of staff should be part and parcel of reform package. There is nothing like objectivity in recruitment. Every recruitment is subjective. Therefore, the individual Banks should be given full authority to recruit their staff. Inside the institutions, there should be organised efforts to utilise the strengths of people. Employees should be utilised depending upon their strengths instead of providing hands to fulfil the number of staff required based on staffing pattern fixed. Good workers should be encouraged and opportunities should be provided for their career progression. Such efforts alone will motivate staff and bring about their participation in all Bank functions including development.

Q: When you were the Chairman of Syndicate Bank, lot of attention was being paid to extension activities and Syndicate Agriculture Foundation. Such activities are not given any importance today. Why is it so? Do such activities affect the profitability of the Bank? If so, how could you do it when you were the Chairman?

A: The extension activities in collaboration with the Syndicate Agriculture Foundation have really helped the people and farming community around. Such activities never affected the profitability of the Bank. Syndicate Agriculture Foundation is not part of Syndicate Bank. It is a separate legal entity – an NGO. We use the services of NGOs for rural projects. Even Government uses services of NGOs. It is not a subsidiary. This useful NGO should be continued and it deserves all encouragement.



Thanks Golden Jubilee : K. K. Pai with Union Finance Minister Honourable Sri C. Subrahmanyan, Union Industry Minister, honourable Sri T. A. Pai and Smt. Shashikala Kakodkar Chief Minister of Goa



Prime Minister Indira Gandhi releasing the cassetts of speeches of Swami Ranganathananda. K. K. Pai presiding over the function



Mr. K. K. Pai, receiving the FICCI award from the then Prime Minister on 25th April 1975



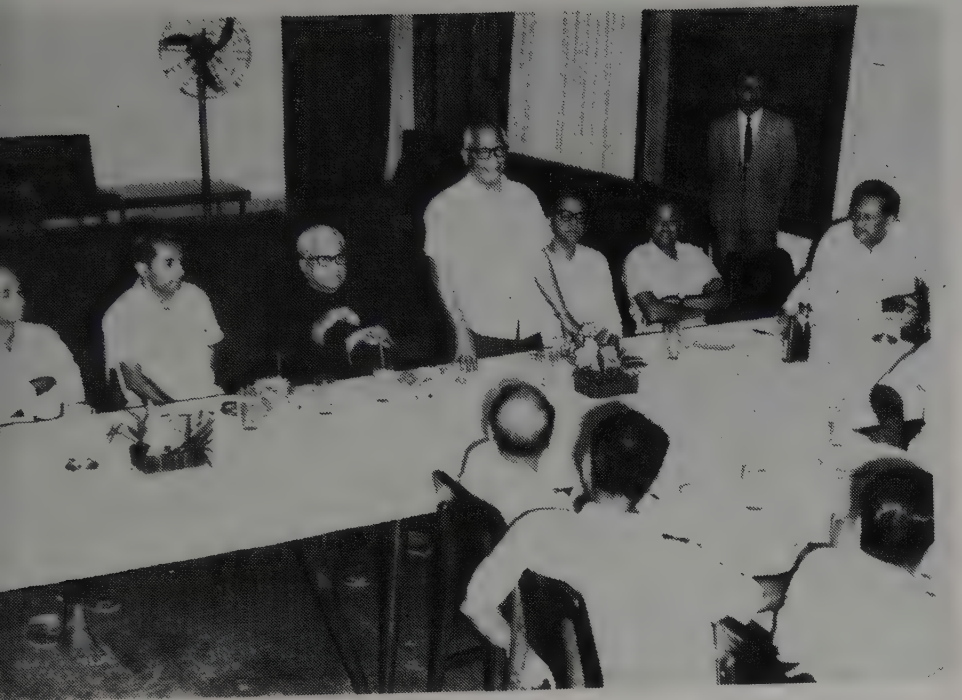
Receiving Indian Merchant Chamber award for Small Savings from Smt. Indira Gandhi



K. K. Pai in the Inauguration of first Gobar Gas Plant financed by Syndicate Bank in 1973 with M. Madhwa Raj Manorama Madhwa Raj, Dr. V. S. Acharya, H. R. Shrinivasan Sri T. A. Pai, Union Minister



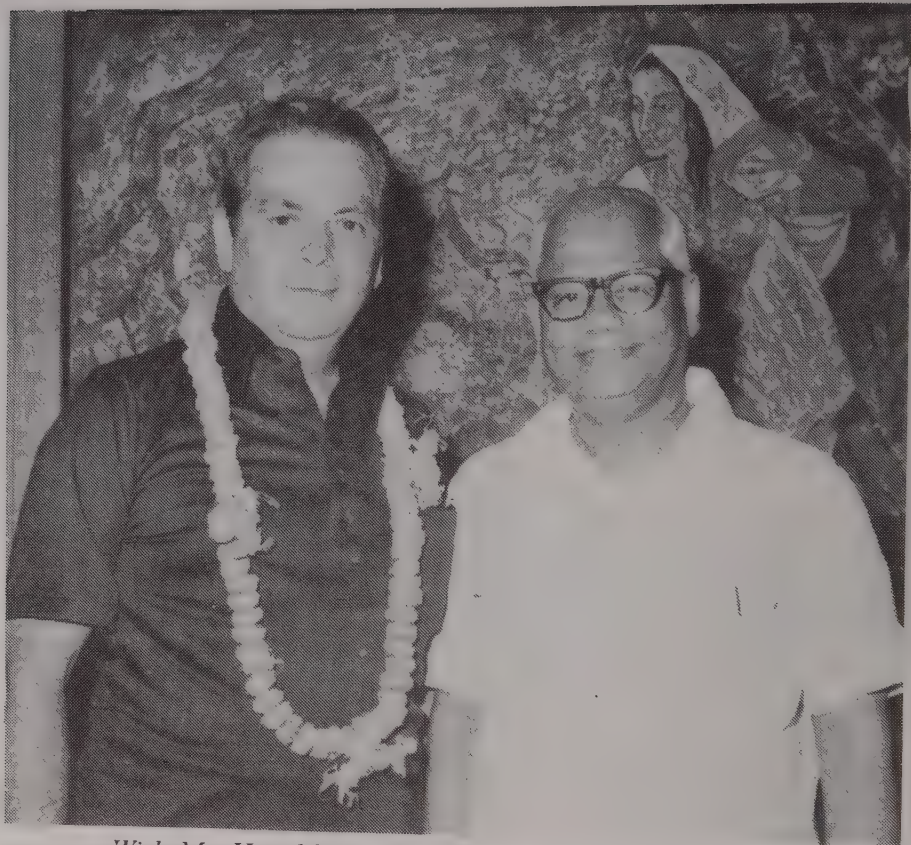
K. K. Pai with directors in Agriculture Pavilion in the exhibition arranged as a part of Golden Jubilee celebration in 1975



*Governing Council Meeting of Syndicate Agriculture Foundation with
Dr. T. M. A. Pai*



With Danida Team in Head Office of Syndicate Bank



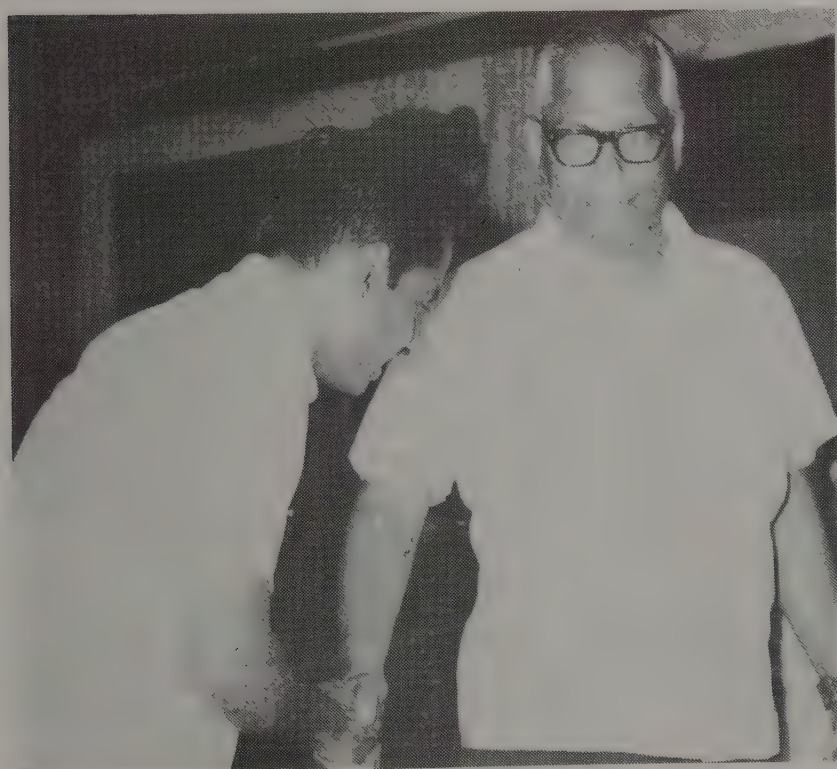
With Mr. Herold Smith of Fidelity Bank of Pennsylvania



*Inauguration of new premises of Manipal Branch with Sri T.R.A. Pai
Dr. T.M.A. Pai and Sri T.A. Pai*



World BK Team with K. K. Pai



Wishing Bon-voyage to an employee on the eve his tour abroad



With Sri Sathya Sai Baba



Sri. N. A. Palkhivala delivering T. A. Pai Memorial Lecture



At the Brahmopadesh ceremony of a grandson



With Ramakrishna Hegde and Dhirubai Ambani



With an Yakshagana artist Mahesh in the role of Sri Krishna



Inauguration of New Prasanga "Krishnarjuna" of famous Makkala Mela Saligrama, 1977



*With Sri Ramakrishna Heggade and Sri Dhirubhai Ambani,
Smt. Vasanthi A. Pai at BVT Campus, Perampalli*



Honouring Poet Sri Channaveera Kanavi with Dr. Veerendra Heggade



*With Governor Hon. Sri Khurshid Alam Khan and
Swamiji of Pejavar Mutt*



*With Nivelle Williams, President, Solar Electrical Lighting Fund
Washington, U.S.A.*



As Chairman, Syndicate Bank



Inaugurating ICDS Branch



With Ex-Finance Minister Sri Manmohan Singh



Honouring Smt. M. S. Subbulakshmi



Inauguration of Samruddhi Project at Kulinje



With Ex-President Sri Gyani Zail Singh



With a dignitaries and Dr. T. Ramdas Pai & Sri T. Mohandas Pai



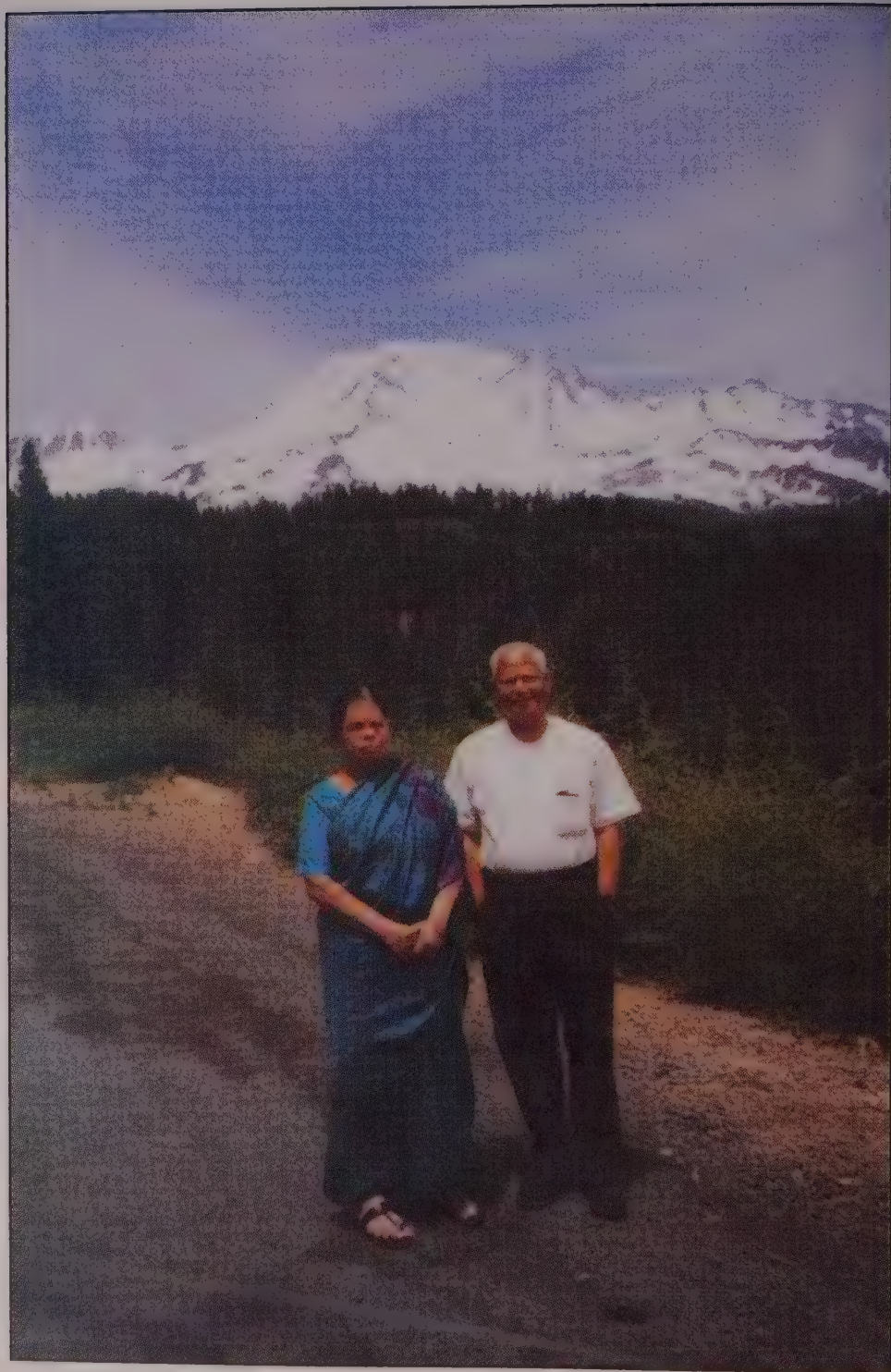
Presiding over a function, releasing a book on Sri T. A. Pai by Smt. Vasanthi A. Pai. Sri Mohandas M. Pai, Dr. Ramdas M. Pai, Sri Satish U. Pai, Sri Narayana M. Pai, Sri Ashok Pai, Dr. Mohandas Pai are also seen.



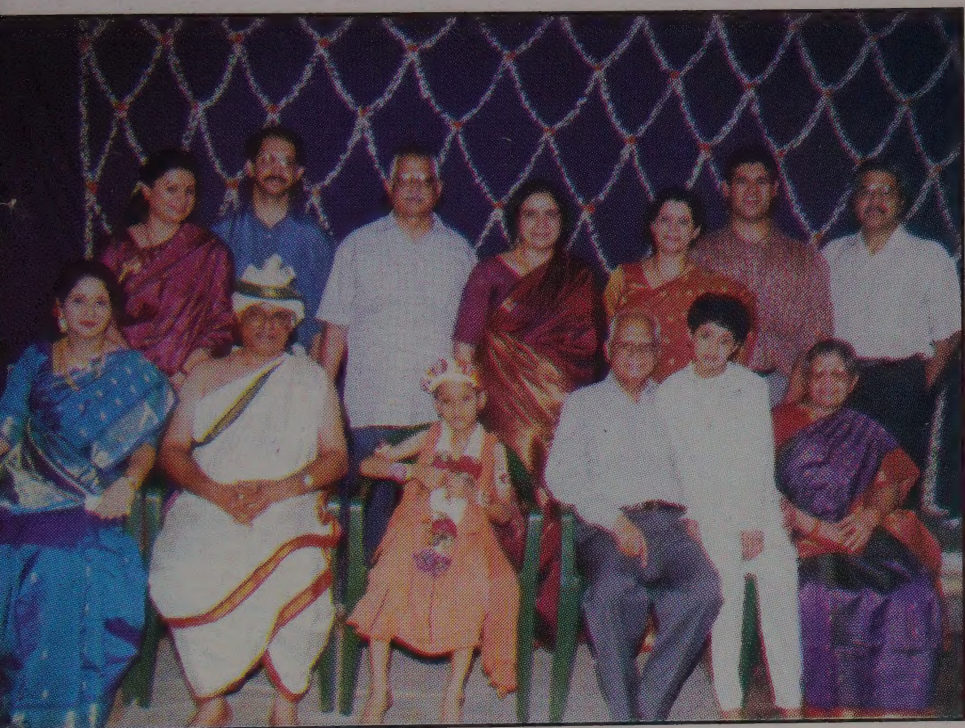
With family members



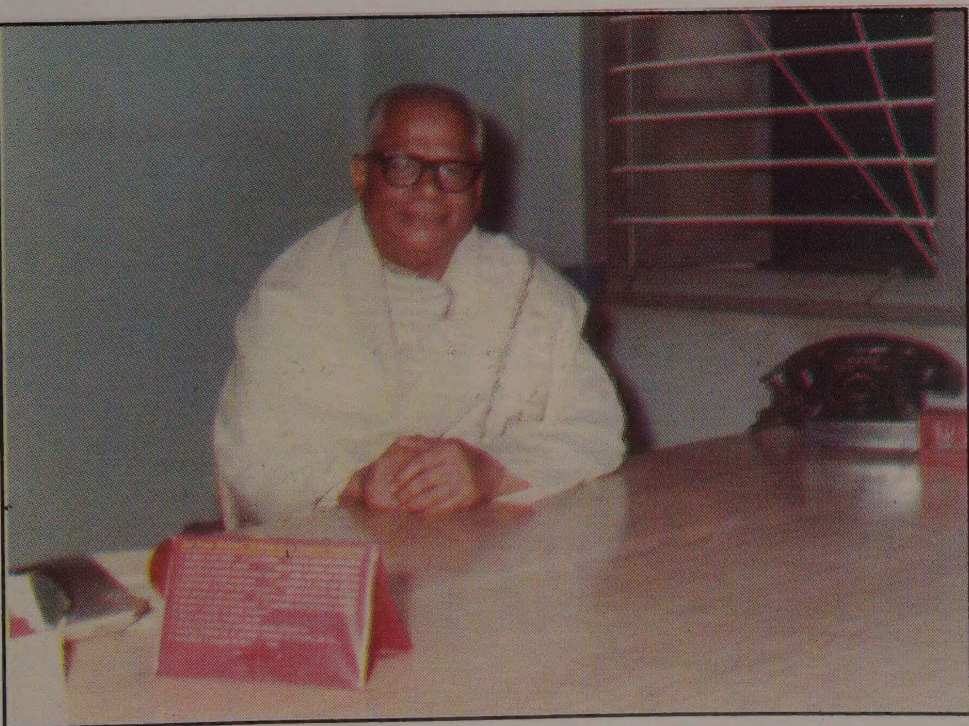
With son, daughter-in-law, grandson and wife



With his wife Smt. Saguna K. Pai in U.S.A.



At the Brahmopadesh ceremony of a grandson



As President, Udupi Municipality



With family members



76th Birthday celebrated in U.S.A.

